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Ethics Commission

1390 Market Street, Suite 801
San Francisco, CA 94102
Phone 554-9510 Fax 703-0121

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# SAN FRANCISCO ETHICS COMMISSION AGENDA FOR REGULAR MEETING

## Monday, January 8, 5:00 p.m.

## City Hall, One Dr. Carlton B. Goodlett Place, Room 408

I. Call to order and roll call

II. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission

III. Discussion and possible approval of the minutes of the meeting of December 11, 2000.

IV. Executive Director's report.

1. Budget
2. Public policy program: Propositions O and J
3. Advice and opinions
4. Investigation and enforcement program
5. Report on volume of calls received via the Whistleblower Hotline
6. Campaign finance disclosure program
7. Campaign finance audit program
8. Lobbyist program
9. Campaign consultant program
10. Statements of Economic Interests
11. Sunshine Declarations

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V. Discussion and possible action re: Recommendation of the Commission's Finance Committee to approve proposed supplemental budget for FY 00-01. A copy of the proposed supplemental budget will be available from the Commission office on Thursday, January 4, 2001.

VI. Discussion and possible action re: 1) Approval of revised proposed licensing agreement between the Ethics Commission and the Department of Telecommunications and Information Services and the City of Sacramento, by which Sacramento would purchase a license from the City of San Francisco to adopt San Francisco's On Line Filing Program for electronic reporting of campaign reports for use by Sacramento's campaign committees; and 2) Authorizing the Commission's Chairperson to approve further modifications in the agreement. A copy of the revised proposed licensing agreement will be available from the Ethics Commission office on Thursday, January 4.

VII. Discussion and possible action re: Items for future agendas.

(Please turn over for page 2)

VIII. **Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission**

IX. Adjournment

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(APPROVED 2/5/01)

# MINUTES OF THE MEETING OF THE SAN FRANCISCO ETHICS COMMISSION

**City Hall, One Dr. Carlton B. Goodlett Place, Room 408**
**Monday, January 8, 2001 5:00 p.m.**

**I. Call to order and roll call.**

Chairperson Carol M. Kingsley called the meeting to order at 5:10 p.m.

COMMISSION MEMBERS PRESENT: Carol M. Kingsley, Chairperson; Paul H. Melbostad, Vice-Chairperson; Philip H. Ryan, Commissioner; Sharyn Saslafsky, Commissioner.
Commissioner Isabella H. Grant was excused.

STAFF PRESENT: Ginny Vida, Executive Director; Mabel Ng, Deputy Executive Director; Joe Lynn, Campaign Finance Officer; Shaista Shaikh, Campaign Finance Auditor.

OFFICE OF THE CITY ATTORNEY: Julie Moll, Deputy City Attorney; Chad Jacobs, Deputy City Attorney.

OTHERS PRESENT: Anita Mayo, Pillsbury, Madison and Sutro; Fred Ridel, San Francisco Common Cause; Mike Mooney, San Francisco Common Cause.

MATERIALS DISTRIBUTED:
S.F. Ethics Commission agenda, January 8, 2001
Draft minutes of the S.F. Ethics Commission Meeting of December 11, 2000
Approved minutes of the S.F. Ethics Commission Meeting of November 13, 2000
Executive Director's Report for the Meeting of January 8, 2001
Memorandum dated December 26, 2000, from Executive Director Ginny Vida regarding Proposition O
Memorandum dated December 26, 2000 from Executive Director Ginny Vida regarding New Restrictions Imposed by Proposition J
Memorandum dated January 4, 2001 from Executive Director Ginny Vida regarding Proposed Supplemental Budget Request for Current Fiscal Year
Memorandum dated January 4, 2001 from Deputy Executive Director Mabel Ng regarding Changes in draft Software License Agreement between City and County of San Francisco and City of Sacramento
Proposed License Agreement between City of Sacramento and City and County of San Francisco
December 7, 2000 Policy Priorities for Ethics Commission

**II. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission.**

There was no public comment at this time.

**III. Discussion and possible approval of the minutes of the meeting of December 11, 2000.**

MOTION 01-01-08-1 (Saslafsky/Melbostad). Moved, seconded and unanimously passed: That the **minutes of the December 11, 2000, meeting be approved.**

**IV. Executive Director's report.**

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Executive Director Ginny Vida referred the Commission to her report in the agenda packet. She reported that the Mayor has asked department heads to absorb two percent of the cost of living increase for staff in
their FY 01-02 annual budgets. This amount is close to $9,000 for the Ethics Commission. Ms. Vida also said she has been advised that the Mayor does not plan to propose a supplemental budget for the Ethics Commission. Ms. Vida noted that a draft annual budget will be ready for consideration at the next meeting of the Commission scheduled for February 12, 2001.

Ms. Vida reported that she, Campaign Finance Officer Joe Lynn, Campaign Finance Auditor Shaista Shaikh and representatives from the Oakland Ethics Commission met with the staff of the Los Angeles City Ethics Commission ("LACEC") on January 5, 2001, to learn how the LACEC administers its matching funds program. At this meeting, the representatives also discussed the possibility of a statewide approach to electronic filing of campaign statements filed with local jurisdictions. The possibility of a pilot program was also discussed.

Ms. Vida reported that the LACEC serves as filing officer for 200 committees and has a staff of 22, including four auditors. In comparison, the San Francisco Ethics Commission serves as filing officer for 268 committees and has a staff of only seven. Ms. Vida said that in view of the Commission's numerous mandates and the high level of political activity in San Francisco, the Commission is seriously understaffed.

**V. Discussion and possible action re: Recommendation of the Commission's Finance Committee to approve proposed supplemental budget for FY 00-01.**

Commission Chairperson Carol M. Kingsley noted that the Finance Committee, whose members include Committee Chairperson Paul H. Melbostad, Commissioner Philip S. Ryan and Commissioner Sharyn Saslafsky, met on December 18, 2000, to review the Commission's current fiscal status and future budgetary needs for FY 01-02.

Commissioner Melbostad presented the Committee's report. He noted that a representative from the Mayor's Budget Office was present at the December 18 meeting. Commissioner Melbostad reported that the Finance Committee assessed a need for the Commission to request a supplemental budget for the current fiscal year. He advised that the Commission is in need of a second investigator to address its backlog of complaints and prepare for implementation of Prop O.

Ms. Vida referred the Commission to the staff memorandum regarding the Proposed Supplemental Budget Request for the Current Fiscal Year. The Commission agreed that additional funding is crucial to the Commission's ability to fulfill its mandates. Commission members also agreed to advocate vigorously for the supplemental budget.

**MOTION 01-01-08-2 (Ryan/Saslafsky). Moved, seconded and unanimously passed: That the Commission adopt the recommendation of the Commission's Finance Committee to approve the proposed supplemental budget for FY 00-01.**

Commissioner Kingsley noted that if the licensing agreement with the City of Sacramento is approved as anticipated, the Commission will have earned $25,000 in revenues, or one third of what it is requesting in its supplemental. Commissioner Ryan observed that the Commission's potential to generate additional revenues is much greater than $25,000 in view of the potential for licensing its electronic filing program to other jurisdictions. Ms. Vida reported that more than 500 California jurisdictions serve as filing officers for state campaign finance forms.

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A discussion about the Commission's potential and ability to market OLFS ensued. It was noted that if a statewide approach to electronic filing were made available, it would take considerable time to develop and would therefore not be an option for the near future. The Commission also discussed the option of surveying other jurisdictions to assess interest in adopting OLFS. Ms. Vida noted that before considering such an option, the Commission would need to explore it with DTIS. She also expressed concern about budgetary implications and the problem of providing technical support. Ms. Vida noted that if the state were to adopt OLFS as the basis for a statewide system, San Francisco could be compensated for the program and would be relieved of the obligation to provide technical support to local jurisdictions. She also expressed concern that if the Commission were to market the system on its own, it would be involved in a complicated business venture with unknown financial risks.

Chairperson Kingsley asked about the potential of other jurisdictions purchasing OLFS. Ms. Vida advised that San Diego has expressed interest. Mr. Lynn reported that the Fair Political Practices Commission referenced Burbank, San Jose, Oakland and Berkeley as jurisdictions that may be interested in obtaining OLFS. Mr. Lynn agreed with Ms. Vida and Commissioner Ryan that if the Commission were to market OLFS to various jurisdictions, it would need additional staff support. Mr. Lynn noted that if he were to devote a portion of his time to marketing OLFS, the supplemental budget does not provide for a partial replacement of his position. Finally, Mr. Lynn noted that providing local jurisdictions with electronic filing capacity would be a powerful instrument of campaign finance disclosure, enabling the public to search for information concerning contributors across jurisdictional boundaries.

Fred Ridel of San Francisco Common Cause noted that OLFS is recognized as a top notch, desirable and useful system. Mr. Ridel expressed interest in a statewide electronic reporting system and urged the Commission to act quickly in marketing OLFS. Mr. Ridel noted that the agreement with Sacramento calls for per-hour fees for technical support services provided by Commission staff and DTIS. He suggested that such per-hour charges could, in future agreements, provide not only for recovery of costs, but possibly even a profit.

VI. **Discussion and possible action re: 1) Approval of revised proposed licensing agreement between the Ethics Commission and the Department of Telecommunications and Information Services and the City of Sacramento, by which Sacramento would purchase a license from the City of San Francisco to adopt San Francisco's On Line Filing Program for electronic reporting of campaign reports for use by Sacramento's campaign committees; and 2) Authorizing the Commission's Chairperson to approve further modifications in the agreement.**

Chairperson Kingsley referred to the memorandum from staff regarding the revised licensing agreement. Commisioner Ryan asked whether the City Attorney had approved the agreement. Deputy Executive Director Mabel Ng reported that the City Attorney and the City of Sacramento had approved the language of the agreement and that it now required the approval of the Commission.

MOTION 01-01-08-3 (Melbostad/Saslafsky). **Moved, seconded and unanimously passed: 1) That the licensing agreement between the Ethics Commission and the Department of Telecommunications and Information Services and the City of Sacramento, by which Sacramento would purchase a license from the City of San Francisco to adopt San Francisco's On Line Filing Program for electronic reporting of campaign reports for use by Sacramento's campaign committees be approved; and 2) That the Commission Chairperson approve further modifications in the agreement.**

VII. **Discussion and possible action re: Items for future agendas.**

Commissioner Melbostad reported that a member of the public had urged him to consider simplifying the campaign finance filing requirements. Commissioner Melbostad reported that this person had also noted that the $10 per day fine for late filing is so small that that it does not effectively prevent committees from filing late. Commissioner Melbostad recommended that the Commission ask campaign treasurers to present their views. Mr. Lynn advised that on January 27, 2001, he will conduct a workshop for campaign treasurers and candidates that will solicit feedback on the recent election and address such issues. He invited Commission members to attend. Commissioner Ryan asked that staff provide notice to Commission members regarding such workshops and other events. Ms. Vida confirmed that commissioners will be included on the invitation list for future events.

**VIII. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission.**

Mike Mooney of San Francisco Common Cause complimented the Commission on its electronic filing system. He said he has found it easy to use. Mr. Mooney expressed his support for the Commission's request for supplemental funds. He asked the Commission to consider expanding Prop O to provide matching funds for candidates for the office of Mayor. He noted that the $1.6 million estimated per year for Prop O may be more than what may actually be required to provide public financing for supervisorial candidates. In that case, he said, the entire $1.6 million might not be spent and funds might be available to fund candidates for the mayoral election.

**IX. Adjournment**

The meeting was adjourned at 6:15 p.m.

Chairperson Kingsley noted that the next Commission meeting will be held on February 12, 2001.

Respectfully submitted,

Shaista Shaikh

Shaista Shaikh

Campaign Finance Auditor

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Ethics Commission

1390 Market Street, Suite 801
San Francisco, CA 94102
Phone 554-9510 Fax 554-8757

# SAN FRANCISCO ETHICS COMMISSION AGENDA FOR REGULAR MEETING

Monday, February 12, 2001 5:00 p.m.

City Hall, One Dr. Carlton B. Goodlett Place, Room 408

I. Call to order and roll call

II. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission

III. Closed session held pursuant to Charter section C3.699-13, Brown Act section 54956.9(c) and Sunshine Ordinance section 67.11 to discuss pending litigation

Conference with Legal Counsel: Anticipated Litigation as Plaintiff
Number of possible cases: 1

IV. Discussion and vote pursuant to Brown Act section 54957.1 and Sunshine Ordinance section 67.12 on whether to disclose action taken or discussions held in closed session.

Motion: The Charter provides that deliberations regarding complaints are confidential. Pursuant to section C3.699-13, the Ethics Commission finds that it is in the best interests of the public not to disclose its closed session deliberations re: pending litigation.

V. Discussion and possible approval of the minutes of the meeting of January 8, 2001.

VI. Executive Director's report.

1. Budget
2. Relocation of Commission office
3. Public policy program:
   A. Proposition O
   B. Status of Commission's proposed legislation to prohibit misuse of City resources
4. Advice and opinions
5. Investigation and enforcement program
6. Report on volume of calls received via the Whistleblower Hotline
7. Campaign finance disclosure program
8. Licensing agreement with City of Sacramento
9. Campaign finance audit program
10. Lobbyist program
11. Campaign consultant program

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12. Statements of Economic Interests

13. Sunshine Declarations

VII. Discussion and possible action re: Approval of staff report estimating costs of administering Proposition O in FY 01 and FY 02. (SF Campaign and Governmental Code section 1.138(c) provides: "Each fiscal year the City and County of San Francisco shall appropriate to the Ethics Commission an amount sufficient to pay for the costs of administration of the public financing program. This appropriation shall be in addition to and separate from the regular annual appropriation made to the Ethics Commission. The Ethics Commission shall assist the Mayor and Board of Supervisors in estimating the amount required.")

VIII. Discussion and possible action re: Approval of revised proposed supplemental budget for FY 00-01. Copies of the revised proposed supplemental budget will be available from the Commission office on Thursday, February 8, 2001.

IX. Discussion and possible action re: Approval of proposed annual budget for FY 01-02, including proposed baseline budget and proposed enhancements for implementation of Prop O and technical projects proposed by the Department of Telecommunications and Information Services. Copies of the proposed annual budget for FY 01-02 will be available from the Commission office on Thursday, February 8, 2001.

X. Discussion and possible action re: Items for future agendas.

XI. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission

XI. Adjournment

*Know Your Rights Under the Sunshine Ordinance*

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(Approved 3/12/01)

**Minutes of the**
**San Francisco Ethics Commission**
**Meeting at San Francisco City Hall**
**One Dr. Carlton B. Goodlett Place, Room 408**
**February 12, 2001, 5:00 p.m.**

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**I. Call to order and roll call.**

Chairperson Carol Kingsley called the meeting to order at 5:10 p.m.

*COMMISSION MEMBERS PRESENT*: Carol M. Kingsley, Chairperson; Paul H. Melbostad, Vice-Chairperson; Philip S. Ryan, Commissioner; Sharyn Saslafsky, Commissioner. Commissioner Isabella H. Grant was excused.

*STAFF PRESENT*: Ginny Vida, Executive Director; Mabel Ng, Deputy Executive Director; Katherine Havener, Ethics Investigator/Legal Analyst; Joe Lynn, Campaign Finance Officer; Frank Lester, Staff Assistant.

*MATERIALS DISTRIBUTED*:
S.F. Ethics Commission Agenda, February 12, 2001.
Executive Director's Report, February 12, 2001.
Whistleblower Complaints Registered with the Ethics Commission since July 21, 1997.
Allegations in Complaints Received by the Ethics Commission since 1995
Disposition of Complaints Submitted to the Ethics Commission 1995 - 2000
Draft Minutes of the S.F. Ethics Commission Meeting of January 8, 2001.
Approved Minutes of the S.F. Ethics Commission Meeting of December 11, 2000.
Memorandum dated February 8, 2001, from Ginny Vida to Members, Ethics Commission re: Proposed Budget for FY 00-01 and FY 01-02.
Proposed Budget for FY 00-01 and FY 01-02
"New S.F. Supervisors Convene, Leaving Few Issues Untouched," *San Francisco Chronicle*, January 17, 2001.
"New Board Members Increasingly Confident, Tackle Issues In-Depth," *District 6 Sentinel*, January 30, 2001.
"S.F. Development Board OKs New Ethics Rules," *San Francisco Chronicle*, February 7, 2001.
"Anticipated Budget Surplus a Bust, S.F. Controller Says," *San Francisco Chronicle*, February 8, 2001.
"San Francisco Voters Impose Limits on Independent Expenditure Committees," National Civic Review, Winter 2000/2001.

**II. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission.**

Jim Reid expressed his concern, as a citizen and potential candidate, that Proposition O's public financing program will not be funded properly if the Commission limits its funding request to administrative costs for FY 01-02. He urged the Commission to request funding in the FY 01-02 budget for grant money to candidates to ensure that the Election Campaign Fund is properly funded in advance of the 2002 election for the Board. He said that the opportunity should be taken to "stash away some cash" to fund Proposition O before a recession makes such funding impossible.

**III. Closed session held pursuant to Charter § C3.699-13, Brown Act § 54956.9(c) and Sunshine Ordinance § 67.11 to discuss pending litigation.**

A closed session was held from 5:15 p.m. to 6:07 p.m.

**IV. Discussion and vote pursuant to Brown Act § 54957.1 and Sunshine Ordinance § 67.12 on whether to disclose action taken or discussions held in closed session.**

**Motion 01-02-12-1 (Melbostad/Saslafsky) Moved, seconded and passed: That deliberations regarding complaints are confidential and that, pursuant to Charter § C3.699-13, the Commission finds that it is in the best interest of the public not to disclose its closed session deliberations re pending litigation.**

**V. Discussion and possible approval of the minutes of the meeting of January 8, 2001.**

**Motion 01-02-12-2 (Melbostad/Saslafsky) Moved, seconded and passed: That the minutes of the January 8, 2001 meeting be approved.**

**VI. Executive Director's Report.**

Executive Director Ginny Vida referred the Commission to the Executive Director's Report in the agenda packet. She noted that an interested persons meeting has been scheduled for February 27, 2001, to solicit public comment on items that might be addressed in regulations for Propositions O and J. All of the Commissioners expressed an interest in attending, schedules permitting.

Ms. Vida advised that the Commission's staff will move to its new office space at 30 Van Ness, Suite 3900, on February 17, 2001. Ms. Vida expressed enthusiasm and excitement about the new location, which will accommodate the entire staff in one suite of offices. She said the consolidation of staff in one office will allow for greater efficiency and better service to the public. She suggested that the Commission have an open house for the public once the Commission has settled into the its new space.

**VII. Discussion and possible action re: Staff report estimating costs of administering Proposition O in FY 01 and FY 02. (San Francisco Campaign and Governmental Conduct Code § 1.138(c) provides: "Each fiscal year the City and County of San Francisco shall appropriate to the Ethics Commission an amount sufficient to pay for the costs of administration of the public financing program. This appropriation shall be in addition to and separate from the regular annual appropriation made to the Ethics Commission. The Ethics Commission shall assist the Mayor and Board of Supervisors in estimating the amount required.")**

Commission Chair Kingsley noted that Proposition O, which was approved by the voters in the November election, provides for public matching grants for candidates for the Board of Supervisors who agree to limit their spending, raise certain private contributions, and meet certain other requirements. Commissioner Kingsley thanked the Commission's Finance Committee for its work on the budget. Members of the Committee include Commissioners Melbostad, Ryan, and Saslafsky. Commissioner Melbostad serves as Committee Chairperson.

Deputy Executive Director Mabel Ng thanked the Commissioners for their assistance in developing the staff report. Ms. Ng summarized the report and its accompanying documentation.

Ms. Ng reported that costs of Proposition O implementation for the current fiscal year (FY 01) are estimated at $32,936, a figure based on the allocation of salaries and benefits for existing staff and time spent on implementation of Proposition O and other projects. She advised that the breakdown for this figure is contained in Table E of the February 8, 2001 staff memorandum. She then noted that estimated

costs of Proposition O implementation for FY 02 are $521,695. This amount includes additional staff and supplies and equipment associated with administration of Proposition O's public financing program. (The proposed FY 01-02 budget does not provide grant monies to candidates.)

Commissioner Melbostad said that he thought the staff report was clear and that he felt the Finance Committee had scrutinized the numbers carefully.

**VIII. Discussion and possible action re: Approval of revised proposed supplemental budget for FY 00-01.**

Ms. Ng discussed the revised proposed supplemental budget of $79,150 for the current fiscal year, as reflected in Table A: Estimate of Expenses for Administration of Prop O in FY 01, dated February 12, 2001.

Commissioner Ryan thanked Commissioners Melbostad and Saslafsky in helping him prepare to advocate for the budget, as well as Deputy Director Ng and Campaign Finance Officer Joe Lynn, for their assistance in preparing the proposed budget.

After some discussion, the following motion was approved:

**Motion 01-02-12-3 (Melbostad/Ryan) Moved, seconded and passed unanimously: That the proposed supplemental budget for fiscal year 00-01 as presented in revised Table A (February 12, 2001) be approved.**

Jim Reid said that he would like to see a request placed in the budget for a CD burner. He said that downloading the campaign finance database from the Internet onto a disk is cumbersome. He noted that the Department of Elections has its entire voter file on CD/ROM for distribution to the public on demand. He said having data on a CD would make it simpler and faster for an interested member of the public to research who contributed to incumbents and non-incumbent candidates.

Mr. Lynn pointed out that the Commission has already obtained a zip drive that allows the public to obtain a disk with a download of the entire campaign finance database. Mr. Reid said that whereas most computers on the market come already enhanced with CD drives, zip drives do not typically come with the basic computer package and have to be purchased separately at added expense to the consumer.

**IX. Discussion and possible action re: Approval of proposed annual budget for FY 01-02, including proposed baseline budget and proposed enhancements for implementation of Prop O and technical projects proposed by the Department of Telecommunications and Information Services.**

Commissioner Melbostad asked whether the FY 01-02 budget should include the beginnings of an actual funding pool for the public financing matching funds program. Ms. Vida said that in better economic times, it would be possible and advisable to set aside funds a year in advance for the grant pool, but in the current economic climate such a set-aside is not feasible. Ms. Vida said that pursuant to a request from the Controller, she had agreed not to propose grant money for candidates in the FY 01-02 budget. She said the Controller had advised that the City is facing significant revenue decreases and increased expenditures in the next fiscal year. Ms. Vida pointed out that matching grants could not be distributed to candidates in any case until August 2002. She said that Controller Harrington had confirmed that grant money could be requested in the FY 02-03 budget and be deposited in the Election Campaign Fund in July 2002—in time for distribution to candidates in August 2002.

Commissioner Ryan agreed with Ms. Vida. He stated that one of the benefits of Proposition O is that it

sets a specific annual administrative cost for the public financing program at $2 per resident, so that the Mayor, Controller, and Board of Supervisors know in advance what the limits of the fund actually are. He said the Controller's position is prudent, given the fiscal climate.

Jim Reid said that the Board of Supervisors has an inherent conflict of interest in approving funds for Proposition O's implementation. He expressed doubt that incumbent supervisors would be inclined to disburse funds to potential opponents in a future election.

Mr. Reid asked Ms. Vida to clarify whether the grant funds would be disbursed in 2002 or 2003. Ms. Vida said that the candidates could start applying for grant monies in June 2002, and that the actual disbursement of grants could begin in August 2002.

Commissioner Ryan noted that Proposition O mandates that there be a Proposition O budget separate from the Ethics Commission's regular budget, and that the Mayor and Board of Supervisors are required to appropriate funds for Proposition O's implementation.

After some discussion, the following motion was approved:

**Motion 01-02-12-4 (Saslafsky/Ryan) Moved, seconded and passed unanimously: That the proposed annual budget for fiscal year 01-02 be approved.**

**X. Discussion and possible action re: Items for future agendas.**

There was no discussion of items for future agendas.

**XI. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission**

Anita Mayo of Pillsbury Madison & Sutro said that it would be helpful for the Commission to schedule closed sessions at the end of the agenda, rather than at the beginning, for the convenience of members of the public. She suggested that if closed sessions are scheduled near the beginning of the meeting, an estimated time be indicated on the agenda so that members of the public would know when to arrive.

**XII. Adjournment**

The meeting was adjourned at 6:41pm.

Respectfully submitted,

Frank Martinez Lester
Campaign Finance Assistant

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# ETHICS COMMISSION
# CITY AND COUNTY OF SAN FRANCISCO

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1/27/01

CAROL M. KINGSLEY
CHAIRPERSON

PAUL H. MELBOSTAD
VICE-CHAIRPERSON

ISABELLA H. GRANT
COMMISSIONER

PHILIP S. RYAN
COMMISSIONER

SHARYN SASLAFSKY
COMMISSIONER

VIRGINIA E. VIDA
EXECUTIVE DIRECTOR

## AMENDED NOTICE OF SF ETHICS COMMISSION MEETING

**TO DISCUSS IMPLEMENTATION OF**

**THE CITY'S NEW PUBLIC FINANCING PROGRAM**

**AND THE TAXPAYER PROTECTION AMENDMENT**

The San Francisco Ethics Commission will convene a meeting of interested persons to discuss implementation of the City's new program for providing public financing for candidates for the Board of Supervisors and implementation of the City's new Taxpayer Protection Amendment on:

**Tuesday, February 27**
**12 noon to 2:00 p.m.**
**Room 34 City Hall (lower level)**

Under Proposition O, which San Francisco voters adopted on November 7, 2000, the City will provide public matching funds to candidates for the Board of Supervisors who raise certain threshold amounts in private contributions, agree to limit their spending and meet other requirements. The Ethics Commission will implement the matching funds program for the 2002 election season.

The Ethics Commission is developing regulations to implement the public financing program. The Ethics Commission invites all interested persons to attend the meeting on February 27, to help identify issues to be addressed in the regulations. These issues include:

- How often may candidates submit claims for public matching funds during the general election? during the run-off election?

- How often should public matching funds be disbursed during the general and run-off election?

- How should public funds be pro rated if there are insufficient funds in the Election Campaign Fund?

A summary of the public financing program is enclosed for your information. The complete text of Prop O may be accessed at **sfgov.org/ethics/legislate.htm.**

Under the Taxpayer Protection Amendment, which was also adopted on November 7, 2000, there are new rules affecting City officers who approve contracts and persons and entities who benefit from these contracts. The Ethics Commission welcomes public comment on implementation of this law as well.

30 Van Ness Avenue, Suite 3900, • San Francisco, CA 94102. • Phone (415) 581-2300 • Fax (415) 581-2317
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advance. If you cannot attend, please convey your questions and comments about the public financing program by email or by fax at 581-2317. If you have questions or comments about other provisions of Proposition O, please convey those to us as well.

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# ETHICS COMMISSION
# CITY AND COUNTY OF SAN FRANCISCO

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CAROL M. KINGSLEY
CHAIRPERSON

PAUL H. MELBOSTAD
VICE-CHAIRPERSON

ISABELLA H. GRANT
COMMISSIONER

PHILIP S. RYAN
COMMISSIONER

SHARYN SASLAFSKY
COMMISSIONER

VIRGINIA E. VIDA
EXECUTIVE DIRECTOR

## SAN FRANCISCO ETHICS COMMISSION AGENDA
### FOR REGULAR MEETING
### Monday, March 12, 2001, 5:00 p.m.
### City Hall, One Dr. Carlton B. Goodlett Place, Room 408

I. Call to order and roll call

II. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission

III. Discussion and possible approval of the minutes of the meeting of February 12, 2001

IV. Executive Director's report
1. Budget
2. Relocation of Commission office
3. Public Policy Program: Propositions O and J
4. Advice and opinions
5. Investigation and enforcement program
6. Report on volume of calls received via the Whistleblower Hotline
7. Campaign finance disclosure program
8. Installation of On Line Filing System for City of Sacramento
9. Campaign finance audit program
10. Lobbyist program
11. Campaign consultant program
12. Statements of Economic Interests
13. Sunshine Declarations

V. Discussion and possible action re: approval of proposed implementing regulations for San Francisco's new limited public financing program for candidates for the Board of Supervisors. The voters established this program in November 2000 through approval of Proposition O, which amended the City's Campaign Finance Reform Ordinance. The proposed regulations address disbursement of public funds for general election expenses, disbursement of public funds for run-off election expenses, pro-ration of funds, restrictions of use of public funds, disposition of surplus funds, and related issues. Copies of the proposed regulations will be available on Friday, March 9, 2001 at the Commission's new office at 30 Van Ness Avenue, Suite 3900 (third floor, corner of Van Ness and Market).

VI. Discussion and possible action re: approval of proposed implementing regulations for Proposition J, the "Taxpayer Protection Amendment" approved by the voters in November 2000. Proposition J imposes new rules affecting City officers who approve contracts and other "public benefits," and individuals and entities that are the recipients of those benefits. The proposed

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regulations clarify ambiguous terms and provisions of the measure. The proposed regulations will be available on Friday, March 9, 2001, from the Commission's new office at 30 Van Ness Avenue, Suite 3900.

VII. Discussion and possible action re: approval of proposed renumbering of current Regulations 1-1-16.510.2 (defining "commencement," "completion" and "termination" of negotiations for purposes of the Campaign Finance Reform Ordinance contractor contribution ban), 1-1-16.522(a) (registration of lobbyists), 1-1-16.543(d) (filing of facsimile client authorization statements by campaign consultants), and 1-1-16.543(f) (filing of client termination statements by campaign consultants) as Regulations 1.126-1, 2.110(a)-1, 1.515(d)-1 and 1.515(f)-1, respectively. This renumbering, which would conform previously adopted regulations to the new Campaign & Governmental Conduct Code, would not change the substance of the regulations.

VIII. Discussion and possible action re: Items for future agendas

IX. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission

X. Closed session held pursuant to Charter section C3.699-13, Brown Act section 54956.9(c) and Sunshine Ordinance section 67.11 to discuss pending litigation

Conference with Legal Counsel: Anticipated litigation as plaintiff
Number of possible cases: 1

XI. Discussion and vote pursuant to Brown Act section 54957.1 and Sunshine Ordinance section 67.12 on whether to disclose action taken or discussions held in closed session

Motion: The Charter provides that deliberations regarding complaints are confidential. Pursuant to section C3.699-13, the Ethics Commission finds that it is in the best interests of the public not to disclose its closed session deliberations re: pending litigation.

XII. Adjournment

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**Minutes of the**
**San Francisco Ethics Commission Meeting**
**San Francisco City Hall**
**One Dr. Carlton B. Goodlett Place, Room 408**
**March 12, 2001**

**I. Call to order and roll call**

Chairperson Carol M. Kingsley called the meeting to order at 5:08 p.m.

*COMMISSION MEMBERS PRESENT*: Carol M. Kingsley, Chairperson; Paul H. Melbostad, Vice-Chairperson; Isabella H. Grant, Commissioner; Philip S. Ryan, Commissioner; Sharyn Saslafsky, Commissioner.

*STAFF PRESENT*: Ginny Vida, Executive Director; Mabel Ng, Deputy Executive Director; Katherine Havener, Ethics Investigator/Legal Analyst.

*MATERIALS DISTRIBUTED*:
S.F. Ethics Commission Agenda, March 12, 2001
Executive Director's Report, March 12, 2001
Draft minutes of the S.F. Ethics Commission Meeting of February 12, 2001
Approved minutes of the S.F. Ethics Commission Meeting of January 8, 2001
Whistleblower Report
Amended notice of S.F. Ethics Commission meeting with members of a delegation from the People's Republic of China
Proposed Regulations Implementing Proposition O
Proposed Regulations Implementing Proposition J
Text of the Campaign Finance Reform Ordinance
Ballot Digest for Proposition O

**II. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission**

There was no public comment.

**III. Discussion and possible approval of the minutes of the meeting of February 12, 2001**

**Motion 01-03-12-1 (Saslafsky/Melbostad)** Moved, seconded and passed: that the minutes of the February 12, 2001 be approved as drafted.

**IV. Executive Director's report**

Executive Director ("ED") Ginny Vida referred the Commission to the Executive Director's Report in the agenda packet. She noted that a recent memo received from the Mayor's Budget Office, the Controller and the Budget Analyst anticipates funding for Proposition O in the 2001-2002 fiscal year. Ms. Vida also reported that the Commission occupied its new offices at 30 Van Ness. She invited people to visit the new office. In addition, she reported that the Department of Telecommunications and Information Services will be demonstrating the Commission's On Line Filing System at a government technology conference later this month.

**V. Discussion and possible action re: approval of proposed implementing regulations for San Francisco's new limited public financing program for candidates for the Board of Supervisors.**

**Regulation 1.144(c)-1: Disbursement of Public Funds; Payments for General Election Expenses**

Ms. Vida stated that Regulation 1.144(c)-1(b) provides that if the ED determines that the amount of funds in the Election Campaign Fund is insufficient to fund all candidates eligible for public financing, and that pro-ration of the funds may be necessary, the ED may direct the Controller to withhold all or part of the initial $5,000 grant to candidates who meet the $7,500 qualification threshold in private funds raised. Under the law, within 15 days of the deadline for filing nomination papers, the Ethics Commission is required to decide whether there is, in fact, a sufficient amount to fund all candidates and whether pro-ration is required.

Commissioner Ryan expressed concern that the regulation gives the ED the discretionary power to withhold funds from candidates until the Commission decides on the need for pro-ration.

Ms. Vida stated that under this regulation, the ED may award the initial grant of $5,000, or a portion thereof, to all qualifying candidates if there is sufficient funding. If the ED determines that pro-ration may be necessary, a meeting of the Commission can be scheduled as soon as possible after the deadline for filing nomination papers. The Commission can then decide whether pro-ration is necessary and if so, how to pro-rate the funds.

The Commission discussed whether pro-ration of funds would be needed. Ms. Vida stated that she anticipates that there will be sufficient money in the Fund to finance all candidates fully in the next supervisorial election, but if more candidates qualify than anticipated, pro-rationing of funds may be necessary.

**Motion 01-03-12-2 (Melbostad/Ryan)** Moved, seconded and passed: that Regulation 1.144(c)-1 be approved.

Commissioner Saslafsky asked who would make the decision with regard to public financing in the absence of the Executive Director. Deputy City Attorney Julie Moll stated that Proposition O provided that the ED or her designee would make such decisions.

Commissioner Ryan turned to Regulation 1.144(c)-1(c)(4)(A), and stated that he would like to see the process expedited so that once the Executive Director makes a decision as to whether a candidate is eligible to receive public funds, the decision would be binding. Thereafter, the candidate could proceed to appeal to the Ethics Commission. Ms. Vida stated that the regulation as drafted is intended to expedite the process for submission of claims. If a claim, or a portion of a claim, is rejected, the candidate could reapply, and then if turned down again, could appeal to the Ethics Commission. The Executive Director could also entertain additional submissions by a candidate in order to allow the candidate to perfect his or her paperwork. Ms. Vida clarified that a candidate, if turned down one week because of improper paperwork, could still apply and receive funds from the Commission the following week. Commissioner Ryan suggested that the Commission adopt an itemization form that informs the candidate what is deficient in the claim for public funds.

**Regulation 1.144(d)-1: Disbursement of Public Funds; Payments for Run-Off Election Expenses**

Ms. Vida presented an overview of this Regulation. She advised that during the run-off, the Ethics Commission, not the ED, would decide whether payments to candidates would be withheld pending determination of the need for pro-ration.

Commissioner Melbostad stated that, assuming a run-off in each of five districts and two participating candidates in each district, the maximum that could be distributed is $170,000. He stated that mathematically, it was likely that pro-ration would not be needed.

Chris Bowman, a member of the public, stated that the regulation does not clarify how it is determined that a candidate has qualified for a run-off election. He stated that in the District 8 supervisorial election last fall, the Department of Elections did not determine for eight days which candidates were in the run-off. Bowman suggested that the regulation be amended to indicate that a candidate is qualified for the run-off when the Director of Elections so determines.

Commissioners Melbostad and Ryan suggested that the first sentence of Regulation 1.144(d)-1(b) be amended to read as follows "Each eligible candidate who qualifies for a run-off election, as determined by the Director of Elections, shall receive a payment of $5,000 from the Election Campaign Fund."

**Motion 01-03-12-2 (Ryan/Melbostad)** Moved, seconded and passed: that Regulation 1.144(d)-1 be approved, subject to the following amendment: that the first sentence of Regulation 1.144(d)-1(b) read as follows "Each eligible candidate who qualifies for a run-off election, as determined by the Director of Elections, shall receive a payment of $5,000 from the Election Campaign Fund."

**Regulation 1.144(e)-1: Disbursement of Public Funds; Pro-Ration of Funds**

Ms. Vida stated that subsection (b) of this Regulation requires that the ED, in making the initial determination as to whether there are sufficient funds in the Election Campaign Fund to fund all candidates, use the "most conservative method" for making this determination. The most conservative method assumes that all candidates will qualify for the maximum in public funds (i.e., $43,750 in the general election and $17,000 in the run-off).

Commissioner Ryan suggested that the Commission discuss the Regulation at the next Commission meeting.

Commissioner Melbostad reiterated that pro-ration will probably not be necessary in the next supervisorial election. He also expressed concern that regulations that make candidates wait until the Commission determines sufficiency of funds would unnecessarily delay and impair the campaigns of publicly financed candidates.

Chairperson Kingsley asked Commission Melbostad to put his concerns in writing for discussion at the next meeting.

**Regulation 1.148(b)-1: Restrictions on Use of Public Funds; Purchase of Equipment**

Ms. Vida explained that Proposition O requires campaigns that purchase with public funds equipment with a fair market value of more than $100 to surrender the equipment to the City after the election. This regulation would permit candidates to retain the equipment until the deadline for submission of the second semiannual disclosure statement (due January 31 of the year following the fall election).

Commissioner Ryan questioned language providing for a "rebuttable presumption" that equipment purchased by a publicly financed candidate is bought with public funds. He questioned whether there should be a presumption against the same candidates Proposition O seeks to help. He also stated that rebutting such a presumption would be difficult, particularly for unsuccessful candidates, and would make auditing difficult.

Chris Bowman suggested adding a presumption that equipment purchased by candidates prior to receiving public financing was not purchased with public funds. Commissioners Melbostad and Ryan agreed with this suggestion.

Commissioners Melbostad and Saslafsky questioned whether the City had the capacity to receive and make use of the equipment that candidates would surrender.

Mr. Bowman suggested that instead of surrendering the equipment to the City, campaigns could be required to sell their equipment at fair market value, the proceeds of which would be returned to the City.

Chairperson Kingsley suggested that the Commission discuss the regulation further at its next meeting.

**Regulation 1.148(d)-1: Forfeiture of Unexpended Funds**

Ms. Vida stated that Proposition O provides that publicly financed candidates who have unexpended funds after the election must return those funds to the City's Election Campaign Fund within 30 days. This regulation would permit candidates who need surplus funds to comply with an audit to retain funds for this purpose.

Mr. Bowman expressed concern that this regulation would impair a campaign's ability to pay off campaign debts and accrued expenses, and to comply with state reporting requirements. He suggested that candidates be given one year to return the funds. He also added that candidates should not be required to return to the City loans they make to their own campaigns.

Anita Mayo of Pillsbury, Winthrop questioned whether, under this regulation, candidates would be required to repay to the City all unexpended funds, or just their unexpended public funds. She expressed her concern that candidates not be required to repay more than they received from the City.

Commissioner Kingsley asked Commissioners Melbostad and Ryan to suggest alternative language for this regulation, and to continue this matter to the next Commission meeting.

**Regulation 1.42(a)-1: Statement of Participation or Non-Participation**

**Motion 01-03-12-3 (Ryan/Melbostad)** Moved, seconded and passed: that Regulation 1.42(a)-1 be approved.

**Regulation 1.142(a)-2: Process for Establishing Eligibility; Documentation of Qualifying Contributions; Form and Content**

**Motion 01-03-12-4 (Melbostad/Ryan)** Moved, seconded and passed: that Regulation 1.42(a)-2 be approved.

**Regulation 1.142(a)-3: Process for Establishing Eligibility; Withdrawal of Declaration; Irrevocability of Decision**

**Motion 01-03-12-5 (Melbostad/Ryan)** Moved, seconded and passed: that Regulation 1.42(a)-3 be approved.

**Regulation 1.128-1: Expenditure Ceilings for Candidates Other Than Candidates for the Board of Supervisors**

The Commission decided to discuss this regulation at its next meeting.

**VI. Discussion and possible action re: approval of proposed implementing regulations for Proposition J, the "Taxpayer Protection Amendment" approved by the voters in November 2000.**

The Commission decided to discuss these regulations at its next meeting.

**VII. Discussion and possible action re: approval of proposed renumbering of current Regulations 1-1-16.510.2 (defining "commencement," "completion" and "termination" of negotiations for purposes of the Campaign Finance Reform Ordinance contractor contribution ban), 1-1-16.522(a) (registration of lobbyists), 1-1-16.543(d) (filing of facsimile client authorization statements by campaign consultants), and 1-1-16.543(f) (filing of client termination statements by campaign consultants) as Regulations 1.126-1, 2.110(a)-1, 1.515(d)-1 and 1.515(f)-1, respectively.**

**Motion 01-03-12-6 (Ryan/Saslafsky)** Moved, seconded and passed: that Regulations 1-1-16.510.2, 1-1-16.522(a), 1-1-16.543(d) and 1-1-16.543(f) be renumbered as Regulations 1.126-1, 2.110(a)-1, 1.515(d)-1 and 1.515(f)-1, respectively.

**VIII. Discussion and possible action re: Items for future agendas**

There were no items for future agendas.

**IX. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission**

Chris Bowman submitted a letter to the Ethics Commission concerning matters that he would like the Commission to address at a future meeting.

**X. Adjournment**

The meeting was adjourned at 7:52 p.m. The next Commission meeting will be held on Wednesday, April 4, 2001.

Respectfully submitted,

Katherine Havener
Ethics Investigator/Legal Analyst

Ethics Commission

April 04, 2001

## SAN FRANCISCO ETHICS COMMISSION AGENDA

### For Special Meeting

### Wednesday, April 4, 2001, 5:00 p.m.

### City Hall, One Dr. Carlton B. Goodlett Place, Room 263*

**(*Please note change in room number.)**

**I. Call to order and roll call**

**II. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission**

**III. Discussion and possible approval of the minutes of the Ethics Commission meeting of March 12, 2001; the Finance Committee meeting of February 5, 2001; and the Personnel Committee meeting of November 27, 2000.**

**IV. Executive Director's report**

**1. Budget**

**2. New office: furniture; security**

**3. Public policy program: Propositions O and J**

**4. Advice and opinions**

**5. Investigation and enforcement program**

**6. Report on volume of calls received via the Whistleblower Hotline**

**7. Campaign finance disclosure program**

**8. Installation of On Line Filing System for City of Sacramento**

**9. Campaign finance audit program**

**10. Lobbyist program**

**11. Campaign consultant program**

**12. Statements of Economic Interests**

**13. Sunshine Declarations**

**V. Discussion and possible action re: approval of proposed implementing regulations for San Francisco's new limited public financing program for candidates for the Board of Supervisors. The voters established this program in November 2000 through approval of Proposition O, which amended the City's Campaign Finance Reform Ordinance. The proposed regulations address disbursement of public funds for general election expenses, disbursement of public funds for run-off election expenses, pro-ration of funds, restrictions of use of public funds, disposition of surplus funds, contribution limits for run-off elections, and related issues. Copies of the proposed regulations will be available on Friday, March 30, 2001 at the Commission's new office at 30 Van Ness Avenue, Suite 3900 (third floor, corner of Van Ness and Market).**

**VI. Discussion and possible action re: approval of proposed implementing regulations for Proposition J, the "Taxpayer Protection Amendment" approved by the voters in November 2000. Proposition J imposes new rules affecting City officers who approve contracts and other "public benefits," and individuals and entities that are the recipients of those benefits. The proposed regulations clarify ambiguous terms and provisions of the measure. The proposed regulations will be available on Friday, March 30, 2001, from the Commission's new office at 30 Van Ness Avenue, Suite 3900.**

**VII. Discussion and possible action re: Items for future agendas**

**VIII. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission**

**IX. Closed session held pursuant to Charter section C3.699-13, Brown Act section 54956.9(c) and Sunshine Ordinance section 67.11 to discuss pending litigation**

**Conference with Legal Counsel: Anticipated litigation as plaintiff**

**Number of possible cases: 1**

**X. Discussion and vote pursuant to Brown Act section 54957.1 and Sunshine Ordinance**

**section 67.12 on whether to disclose action taken or discussions held in closed session**

**Motion: The Charter provides that deliberations regarding complaints are confidential. Pursuant to section C3.699-13, the Ethics Commission finds that it is in the best interests of the public not to disclose its closed session deliberations re: pending litigation.**

**XI. Adjournment**

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Special

**Minutes of the**
**San Francisco Ethics Commission Special Meeting**
**City Hall, One Dr. Carlton B. Goodlett Place, Room 263**
**April 4, 2001, 5:00 p.m.**

**I. Call to order and roll call**

Commission Chairperson Carol M. Kingsley called the meeting to order at 5:11 p.m.

**COMMISSION MEMBERS PRESENT:** Carol M. Kingsley, Chairperson; Paul H. Melbostad, Vice-Chairperson; Isabella H. Grant, Commissioner; Philip S. Ryan, Commissioner; Sharyn Saslafsky, Commissioner.

**STAFF PRESENT:** Ginny Vida, Executive Director; Mabel Ng, Deputy Director; Katherine Havener, Ethics Investigator/Legal Analyst; Oliver Luby, Assistant Legal Analyst.

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**MATERIALS DISTRIBUTED:**
S.F. Ethics Commission Agenda, April 4, 2001
Approved minutes of the S.F. Ethics Commission Meeting of February 12, 2001
Draft minutes of the S.F. Ethics Commission Meeting of March 12, 2001
Draft minutes of the S.F. Ethics Commission Finance Committee Meeting of December 18, 2000
Draft minutes of the S.F. Ethics Commission Personnel Committee Meeting of November 27, 2000
Executive Director's Report, April 4, 2001
Memo from Ginny Vida to Members, Ethics Commission, Re: Proposed Regulations Implementing Proposition O, March 8, 2001
Memo from Ginny Vida to Members, Ethics Commission, Re: Additional Proposed Regulations Implementing Proposition O, March 30, 2001
Memo from Ginny Vida to Members, Ethics Commission, Re: Revised Regulations Implementing Proposition J, March 30, 2001
San Francisco Campaign and Governmental Conduct Code Sec. 3.700 *et seq.*
San Francisco Campaign and Governmental Conduct Code Sec. 1.100 *et seq.*

**II. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission**

There was no public comment.

**III. Discussion and possible approval of the minutes of the Ethics Commission meeting of March 12, 2001; the Finance Committee meeting of February 5, 2001; and the Personnel Committee meeting of November 27, 2000.**

**Motion 01-04-04-1 (Saslafsky/Grant)** Moved, seconded, and passed: That the minutes of the March 12, 2001, Ethics Commission meeting be approved as drafted.

**Motion 01-04-04-2 (Saslafsky/Ryan)** Moved, seconded, and passed: That the minutes of the February 5, 2001, Finance Committee be approved as drafted.

**Motion 01-04-04-3 (Grant/Melbostad)** Moved, seconded, and passed: That the minutes of the November 27, 2001, Personnel Committee be approved as drafted.

**IV. Executive Director's report**

Executive Director Ginny Vida referred the Commission to the Executive Director's Report in the agenda packet. She advised that the Mayor is predicting a $50 million shortfall in the City's budget for the next fiscal year and has asked departments to identify possible reductions in their budgets. She also noted that installation of the On Line Filing System is proceeding as scheduled, with an anticipated completion date of May 1.

Commissioner Kingsley advised that the Budget Analyst and departmental staff will be making presentations to the Finance Committee of the Board of Supervisors on departmental budgets. She noted that the Commission's presentations are typically made by the Executive Director and Deputy Director. She encouraged commissioners and members of the public to support the Commission's budget request. Ms. Vida stated that she would request meetings with members of the Board's Finance Committee. She said it would be helpful if members of the Ethics Commission could participate.

**V. Discussion and possible action re: approval of proposal implementing regulations for San Francisco's new limited public financing program for candidates for the Board of Supervisors.**

Commissioner Kingsley noted that the following regulations concerning Proposition O's public financing program were approved at the March 12th meeting: Regulation 1.144(c)-1, Regulation 1.144(d)-1 (as amended), Regulation 1.42(a)-1, Regulation 1.142(a)-2, and Regulation 1.142(a)-3.

**Regulation 1.444(e)-1: Disbursement of Public Funds; Pro-Ration of Funds**

In response to concerns raised at the last meeting, Ms. Vida advised that staff proposed changes to subsection (b) to reflect guidelines for the Executive Director to follow in implementing Proposition O.

**Motion 01-04-04-4 (Ryan/Saslafsky)** Moved, seconded, and passed: That the Ethics Commission adopt Regulation 1.144(e)-1, as drafted, with the following amendment: the first sentence of paragraph 2 of (b) to read as follows: "(b) When estimating whether the total amount of funds in the Election Campaign Fund is sufficient to fund all candidates

who may be eligible to receive public financing, the Executive Director shall assume all of the following: [pick up remainder of regulation as drafted]."

**Regulation 1.148(b)-1: Restrictions on Use of Public Funds; Purchase of Equipment**

Ms. Vida noted that at the last meeting some commissioners had expressed concern about what the City would do with equipment surrendered to the City pursuant to this regulation. Because Proposition O requires that equipment valued at $100 or more be returned to the City, the regulation is meant to provide guidance to candidates about the process of compliance with the law.

Commissioner Ryan expressed concern that the "rebuttable presumption" contained in the second sentence of the first paragraph of the proposed Regulation is confusing. After some discussion, Commissioner Melbostad proposed, and the commissioners agreed, that the second sentence of the proposed regulation be deleted.

**Motion 01-04-04-5 (Melbostad/Ryan)** Moved, seconded, and passed: That the Ethics Commission adopt Regulation 1.148(b)-1, as amended, so that the second sentence of the first paragraph in the regulation as drafted is deleted.

**Regulation 1.148(d)-1: Forfeiture of Unexpended Funds**

Ms. Vida stated that Proposition O provides that publicly financed candidates who have unexpended funds after the election must return those funds to the City's Election Campaign Fund within 30 days. The regulation permits candidates who need surplus funds to comply with an audit to retain such funds until the audit is completed.

**Motion 01-04-04-6 (Ryan/Saslafsky)** Moved, seconded, and passed: That the Ethics Commission adopt Regulation 1.148(d)-1, as drafted.

**Regulation 1.128-1: Expenditure Ceilings for Candidates other than Candidates for the Board of Supervisors**

In response to concerns raised at last month's meeting, staff proposed new language to clarify that expenditure limits for all candidates are voluntary except for candidates for the Board of Supervisors who receive public financing. The proposed new language was as follows: "Expenditure ceilings for all candidates other than candidates for the Board of Supervisors who agree to participate in the public financing program are entirely voluntary. Although these expenditure ceilings are voluntary, it is mandatory that all candidates file a statement with the Department of Elections indicating whether they will agree to comply with these limits. The Ethics Commission encourages all candidates to comply with the voluntary limits established in the Campaign and Governmental Conduct Code Section 1.130."

Ms. Vida explained that on the current form that candidates file with the Department of Elections, there is no provision for candidates to reject the voluntary expenditure limits.

As a consequence, because it was difficult to ascertain whether a candidate declined to adopt the limits, it was sometimes difficult for the Ethics Commission to determine whether voluntary spending limits could be lifted under the law. Requiring candidates to declare whether they accept or reject the limits would help enforcement.

Commissioner Ryan expressed his concern that the proposed regulation goes beyond merely clarifying Proposition O in that it establishes a new requirement on candidates that is not mandated by the Campaign Finance Reform Ordinance ("CFRO"). He also stated that the proposed regulations should be limited to Proposition O and not other campaign finance provisions, because no notice had been provided of possible action on the latter. Ms. Moll explained that Proposition O did a variety of things, including modifying various parts of the CFRO. She also provided a history of the voluntary spending limits.

Ms. Anita Mayo of Pillsbury and Winthrop stated her view that the regulation changes the law and could negatively impact candidates who decline to accept the ceilings. She suggested that establishing a deadline for candidates to file the form could be a way to address this issue – thus, candidates who fail to file by the deadline could be deemed, in effect, to have rejected the limits.

After further discussion, the Commission agreed to continue discussion of Regulation 1.128-1 to the next meeting.

**Regulation 1.104(o)-1: Definition of Qualifying Contribution; Exclusion of Funds Carried Forward from Previous Elections**

Commissioner Kingsley referred to Ms. Vida's March 30, 2001 memo, which sets out three additional proposed regulations for implementation of Proposition O.

**Motion 01-04-04-7 (Ryan/Grant)** Moved, seconded, and passed: That the Ethics Commission adopt Regulation 1.104(o)-1, as drafted.

**Regulation 1.104(k)-1: Definition of Matching Contribution; Exclusion of Funds Carried Forward from Previous Elections**

**Motion 01-04-04-8 (Melbostad/Ryan)** Moved, seconded, and passed: That the Ethics Commission adopt Regulation 1.104(k)-1, as drafted.

**Regulation 1.114-1: Limits on Contributions to Candidates Who Qualify for Run-Off Elections**

**Motion 01-04-04-9 (Melbostad/Ryan)** Moved, seconded, and passed: That the Ethics Commission adopt Regulation 1.114-1, as drafted.

[Note: at 6:40 p.m., the Commission moved to consider Item IX on the Agenda; at 6:50 p.m., the Commission moved to consider Item X. See minutes below.]

**VI. Discussion and possible action re: approval of proposed implementing regulations for Proposition J, the "Taxpayer Protection Amendment."**

[Note: Commissioner Ryan left the meeting at approximately 6:55 p.m.]

Commissioner Kingsley noted that Proposition J imposed new rules affecting City officers who approve contracts and other "public benefits," and individuals and entities that are the recipients of those benefits. She noted that the proposed revised regulations, as set out in Ms. Vida's March 30, 2001 memo, clarify ambiguous terms and provisions of the measure.

**Regulation 3.710(d)-1: Definition of "City and County Public Official"**

**Motion 01-04-04-10 (Saslafsky/Melbostad & Grant simultaneously)** Moved, seconded, and passed: That the Ethics Commission adopt Regulation 3.710(d)-1, as drafted.

**Regulation 3.715(a)-1: Prohibition**

Ms. Ng stated that the regulation clarifies that the ban against accepting personal or campaign advantages does not apply when a public official's approval is ministerial or when the public official does not participate in, influence or attempt to influence the vote on a public benefit.

Ms. Mayo noted that the law prohibits officials from receiving a campaign benefit but that the proposed regulation places the burden on the recipient not to confer the benefit instead. In response to her comment, the Commission revised the first clause of the first sentence of the regulation.

**Motion 01-4-4-11 (Melbostad/Grant)** Moved, seconded, and passed: That the Ethics Commission adopt Regulation 3.715(a)-1, as drafted, with the following amendment: the first sentence of the regulation reads as follows: "No City and County public official may accept a personal or campaign advantage from a public benefit recipient, whenever the public official exercised discretion to approve and has approved or voted to approve the public benefit."

**Regulation 3.710(a)-1: Definition of "Public Benefit"**

After some discussion regarding the exclusion of variances and permits from the definition of "public benefit," the Commission decided to continue its consideration of Regulation 3.710(a)-1 to the May 14 meeting.

[Note: Commissioner Saslafsky left the meeting at approximately 7:18 p.m.]

**Regulation 3.710(b)-1: Definition of "Public Benefit Recipient"; Regulation 3.710(c)-1: Definition of "Personal or Campaign Advantage;" Regulation 3.715(a)-2: Retroactivity**

After some brief discussion, the Commission decided to consider Regulations 3.710(b)-1, 3.710(c)-1, and 3.715(a)-2 *en masse*.

**Motion 01-04-04-12 (Melbostad/Grant)** Moved, seconded, and passed: That the Ethics Commission adopt Regulation 3.710(b)-1, Regulation 3.710(c)-1, and Regulation 3.715(a)-2, as drafted.

**VII. Discussion and possible action re: Items for future agendas.**

There were no suggestions for items for future agendas.

**VIII. Public Comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission.**

Ms. Mayo asked when the adopted Proposition J regulations are effective. Ms. Vida noted that regulations adopted by the Commission must be transmitted to the Board of Supervisors within 24 hours of adoption. The regulations become effective 60 days after the date of adoption unless two-thirds of the members of the Board vote to veto the regulations during the 60-day period. The Commissioners agreed that they will submit the Proposition J and Proposition O regulations as complete packages.

**IX. Closed session held pursuant to Charter section C3.699-13, Brown Act section 54956.9(c) and Sunshine Ordinance section 67.11 to discuss pending litigation.**

**Conference with Legal Counsel: Anticipated litigation as plaintiff**
**Number of possible cases: 1**

The Commission conducted a closed session from 6:40 p.m. to 6:50 p.m.

**X. Discussion and vote pursuant to Brown Act section 54957.1 and Sunshine Ordinance section 67.12 on whether to disclose action taken or discussions held in closed session.**

At 6:50 p.m., the Commission reconvened in public session.

**Motion 01-04-04-13 (Ryan/Grant)** Moved, seconded, and passed: That the Ethics Commission not disclose action taken or discussions held in closed session.

## XI. Adjournment

Commissioner Kingsley noted that Ms. Moll will be on leave 4-6 months. She thanked Ms. Moll for her assistance. At 7:24 p.m., the meeting was adjourned. The next meeting is scheduled for May 14, 2001.

Respectfully submitted,

Oliver Luby

Oliver Luby
Assistant Legal Analyst

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# ETHICS COMMISSION
# CITY AND COUNTY OF SAN FRANCISCO

OL M. KINGSLEY
CHAIRPERSON

L H. MELBOSTAD
CE-CHAIRPERSON

BELLA H. GRANT
COMMISSIONER

PHILIP S. RYAN
COMMISSIONER

ARYN SASLAFSKY
COMMISSIONER

/IRGINIA E. VIDA
UTIVE DIRECTOR

## SAN FRANCISCO ETHICS COMMISSION AGENDA
**for regular meeting**
**Monday, May 14, 2001, 5:00 p.m.**
**City Hall, One Dr. Carlton B. Goodlett Place, Room 408**

I. **Call to order and roll call**

II. **Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission**

III. **Discussion and possible approval of the minutes of the Ethics Commission meeting of April 4, 2001**

IV. **Chairperson's report. Announcement of settlement of Complaint No. 28-001116**

V. **Executive Director's report**
1. **Meetings with Supervisors**
2. **Office security**
3. **Public policy program**
4. **Advice and opinions**
5. **Investigation and enforcement program**
6. **Report on volume of calls received via the Whistleblower Hotline**
7. **Campaign finance disclosure program**
8. **Installation of On Line Filing System for City of Sacramento**
9. **Campaign finance audit program**
10. **Lobbyist program**
11. **Campaign consultant program**
12. **Statements of Economic Interests**
13. **Sunshine Declarations**

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VI. **Discussion and possible action re:**

a) **Proposed regulations for implementation of Proposition J, the "Taxpayer Protection Amendment" approved by the voters in November 2000. Proposition J imposes new rules affecting City officers who approve contracts and other "public benefits," and individuals and entities that are the recipients of those benefits. The proposed regulations clarify ambiguous terms and provisions of the measure, including the definition of "public benefit," the requirements of "due diligence" and "monitoring," and the application of safe harbors and retroactivity. Copies of the proposed regulations will be available on Thursday, May 10, 2001, at the Commission office at 30 Van Ness Avenue, Suite 3900 (third**

30 Van Ness Avenue, Suite 3900 • San Francisco, CA 94102-6027 • Phone (415) 581-2300 • Fax (415) 581-2317
E-Mail Address: ethics_commission@ci.sf.ca.us Web site: http://www.ci.sf.ca.us/ethics/

floor, corner of Van Ness and Market); or on the Commission's web site at www.sfgov.org/ethics/legislate.htm.

b) Final adoption of regulations pertaining to implementation of Proposition J. Copies of all proposed regulations will be available on Thursday, May 10, 2001, at the Commission office and posted on its web site (see above).

VII. Discussion and possible action re:

a) Proposed regulation related to the implementation of Proposition O's new limited public financing program for candidates for the Board of Supervisors and related provisions of the Campaign Finance Reform Ordinance. The voters amended the City's Campaign Finance Reform Ordinance when they approved Proposition O at the November 2000 election. The proposed regulation addresses expenditure ceilings for candidates other than publicly financed candidates for the Board of Supervisors. Copies of the proposed regulation will be available on Thursday, May 10, 2001, at the Commission office and posted on its web site (see above).

b) Final adoption of regulations pertaining to the implementation of Proposition O. Copies of all regulations will be available on Thursday, May 10, 2001, at the Commission office and posted on its web site (see above).

VIII. Discussion and possible action re: Proposed Sunshine Ordinance regulation clarifying the time and manner for filing the annual Sunshine Ordinance declaration required by SF Administrative Code Section 67.33 – Department Head Declaration. The draft regulation will be available on Thursday, May 10, 2001, at the Commission office and posted on its web site (see above).

IX. Discussion and possible action re: Approval of proposed advice letter concerning whether a member of the Planning Commission may represent private interests before the Redevelopment Agency. Copies of the proposed advice letter will be available on Thursday, May 10, 2001, from the Commission office and will be posted on its web site (see above).

X. Discussion and possible action re: Items/priorities for future agendas. A revised list of suggested initiatives for future agendas will be available on Thursday, May 10, 2001, from the Commission office and posted on its web site (see above).

XI. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission

XII. Closed session held pursuant to Charter section C3.699-13, Brown Act section 54956.9(c) and Sunshine Ordinance section 67.11 to discuss pending litigation

Conference with Legal Counsel: Anticipated litigation as plaintiff
Number of possible cases: 3

XIII. Discussion and vote pursuant to Brown Act section 54957.1 and Sunshine Ordinance section 67.12 on whether to disclose action taken or discussions held in closed session

Motion: The Charter provides that deliberations regarding complaints are confidential. Pursuant to section C3.699-13, the Ethics Commission finds that it is in

**the best interests of the public not to disclose its closed session deliberations re: pending litigation.**

**XIV. Adjournment**

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# Minutes of the San Francisco Ethics Commission Meeting
**City Hall, One Dr. Carlton B. Goodlett Place, Room 408**
**May 14, 2001, 5:00 p.m.**

## I. Call to order and roll call

Commission Chairperson Carol M. Kingsley called the meeting to order at 5:10 p.m.

**COMMISSION MEMBERS PRESENT:** Carol M. Kingsley, Chairperson; Paul H. Melbostad, Vice-Chairperson; Isabella H. Grant, Commissioner; Philip S. Ryan, Commissioner; Sharyn Saslafsky, Commissioner.

**STAFF PRESENT:** Ginny Vida, Executive Director; Mabel Ng, Deputy Executive Director; Katherine Havener, Ethics Investigator/Legal Analyst; Oliver Luby, Assistant Legal Analyst; Shaista Shaikh, Campaign Finance Auditor.

**MATERIALS DISTRIBUTED:**
S.F. Ethics Commission Agenda, May 14, 2001
Approved minutes of the S.F. Ethics Commission Meeting of March 12, 2001
Draft minutes of the S.F. Ethics Commission Meeting of April 4, 2001
Announcement of Settlement of Complaint No. 28-001116
Executive Director's Report, May 14, 2001
Memo from Ginny Vida to Members, Ethics Commission, Re: Proposed Regulations regarding Proposition J, May 4, 2001
Memo from Ginny Vida to Members, Ethics Commission, Re: Proposed Regulation regarding Proposition J-Retroactivity, May 10, 2001
Memo from Ginny Vida to Members, Ethics Commission, Re: Approved Regulations Implementing Proposition J, May 9, 2001
E-mail from the Oaks Project regarding Proposition J
Memo from Ginny Vida to Members, Ethics Commission, Re: Proposed Regulation regarding Proposition O-related provision of Campaign Finance Reform Ordinance, May 1, 2001
Memo from Ginny Vida to Members, Ethics Commission, Re: Approved Regulations Implementing Proposition O, May 9, 2001
San Francisco Campaign and Governmental Conduct Code Sec. 3.700 *et seq.*
San Francisco Campaign and Governmental Conduct Code Sec. 1.100 *et seq.*
Draft formal opinion regarding Request for Opinion Concerning Compensated Advocacy Ordinance, May 9, 2001
Memo from Ginny Vida to Members, Ethics Commission Re: Proposed Sunshine Ordinance Regulation
Memo from Ginny Vida to Members, Ethics Commission Re: 2001 Policy Initiatives, May 10, 2001

Memo from Gloria L. Young to Ethics Commission, Re: Legislation proposed by Supervisor Leno, May 3, 2001
Memo from Gloria L. Young to Ethics Commission, Re: Legislation proposed by Supervisor Peskin, May 3, 2001
Document provided by Charles Marsteller re: proposed amendments to City Charter

**II. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission**

Charles Marsteller, former coordinator for San Francisco Common Cause, stated that he and former Ethics Commissioner Robert Dockendorff have proposed to the Board of Supervisors a Charter amendment to create independent agency status for the Ethics Commission. Mr. Marsteller noted that the proposed Ethics Commission model is based on the structure of the New York City Campaign Finance Board. Mr. Marsteller provided a document summarizing the proposed Charter amendments.

After some discourse between the Commissioners and Mr. Marsteller, Commissioner Kingsley noted that an in-depth discussion would be held when the item is calendared.

Alex Clemens of Reputation, LLC commended Katherine Havener for her superb performance. Mr. Clemens noted that he attended the Commission's workshop for lobbyists, which he said was informative and very well conducted. He further praised the Commission staff for its prompt and courteous assistance.

**III. Discussion and possible approval of the minutes of the Ethics Commission meeting of April 4, 2001**

**Motion 01-05-14-1 (Saslafsky/Grant) Moved, seconded, and passed: That the minutes of the April 4, 2001, Ethics Commission meeting be approved as drafted.**

**IV. Chairperson's report. Announcement of settlement of Complaint No. 28-001116**

Commissioner Carol M. Kingsley announced the settlement of Complaint No. 28-001116.

**V. Executive Director's report**

Executive Director Ginny Vida referred the Commission to the Executive Director's Report in the agenda packet. She reported that she and some of the Commissioners have been meeting with members of the Board of Supervisors to discuss ethics-related issues, including implementation of Proposition O's public financing program. She noted that the Supervisors expressed interest in working with the Ethics Commission. Ms. Vida also advised that Supervisor Leno and Supervisor Peskin have each introduced an amendment to the Campaign Finance Reform Ordinance (CFRO). She explained that proposals by the Board to amend the CFRO require a four-fifths approval by the Ethics

Commission. The proposals have been forwarded to the Ethics Commission for review and approval and will be calendared for the Commission's June and/or July meetings.

**VI. Discussion and possible action re:**

**a) Proposed regulations for implementation of Proposition J, the "Taxpayer Protection Amendment" approved in November 2000.**

**Regulation 3.710(a)-1: Definition of "Public Benefit"**

Deputy Executive Director Mabel Ng explained that Regulation 3.710(a)-1 clarifies what a "public benefit" is. Lawrence Courdier of the Oaks Project expressed concern that variances and permits are excluded from the definition of "public benefits." Ms. Ng reported that the issue of variances and permits was addressed in a confidential memo from the City Attorney to the Ethics Commission. After some discussion, the Commission determined that it was in the best interests of the Commission and the public not to waive its attorney-client privilege.

Ms. Courdier also suggested that the term "City" be changed to "City and County." Ms. Ng noted that the language of the regulation could be amended to include the term "and County" without affecting its substance.

**Regulation 3.720(a)-1: Due Diligence, Monitoring**

Ms. Ng explained that Prop. J requires public officials to exercise due diligence to determine whether a public benefit has been conferred and to monitor receipt of personal and campaign advantages from public benefit recipients. The proposed regulation clarifies how public officials might practice due diligence.

**Regulation 3.730-1: Safe Harbors**

Ms. Ng noted that Prop. J provides for criminal, civil and administrative sanctions for violations of the law. She explained that this regulation clarifies that if public officials exercised due diligence as outlined in Regulation 3.720(a)-1, they would not be subject to criminal, civil and administrative sanctions.

**Regulation 3.715(a)-2: Retroactivity**

Ms. Ng stated that this regulation provides that the prohibition imposed by Campaign and Governmental Conduct Code Section 3.715(a) will not be implemented until the effective date of the regulations. She explained that Prop. J requires the City to provide written notice to public officials and public benefit recipients about their obligations; however, Prop. J contained a number of ambiguities that required clarification by regulation. It seemed fair not to subject pubic officials to sanctions until after notice about the new

requirements had been provided. For that reason, staff proposed that the new ban not apply unless a public official exercises discretion to approve a public benefit on or after the effective date of the proposed regulations.

Ms. Courdier stated that the voters expected Proposition J to go into effect by January 1, 2001, and asked the Commission to retain this effective date. Commissioner Paul H. Melbostad inquired whether there was a race to approve any types of public benefits before the regulations go into effect. Ms. Courdier suggested that there could be, but stated that she was not aware of such activity.

Motion 01-05-14-2 (Ryan/Saslafsky) **Moved, seconded, and passed: That the Ethics Commission adopt Regulation 3.710(a)-1, as amended to add the words "and County" whenever the term "City" appears; and Regulation 3.720(a)-1, Regulation 3.730-1 and Regulation 3.715(a)-1, as drafted.**

**b) Final adoption of regulations pertaining to implementation of Proposition J.**

Commissioner Kingsley noted that the Commission had approved each regulation separately and that it would now vote on whether to adopt all previously approved regulations concerning Proposition J.

Motion 01-05-14-3 (Saslafsky/Grant) **Moved, seconded and passed: That the Ethics Commission adopt the previously approved regulations regarding Proposition J.**

**VII. Discussion and possible action re:**

**a) Proposed regulation related to the implementation of Proposition O's new limited public financing program for candidates for the Board of Supervisors and related provisions of the Campaign Finance Reform Ordinance.**

**Regulation 1.128-1: Expenditure Ceilings for Candidates other than Candidates fo Board of Supervisors**

Ms. Ng reported that currently only those candidates who agree to abide by the voluntary expenditure ceilings must file a statement with the Department of Elections. This regulation clarifies that candidates who do not file such statements by the deadline for filing nomination papers would be deemed to have declined the voluntary spending limits.

Motion 01-05-14-4 (Grant/Melbostad) **Moved, seconded and passed: That the Ethics Commission approve Regulation 1.128-1, as drafted.**

**b) Final adoption of regulations pertaining to the implementation of Proposition O.**

Motion 01-05-14-5 (Melbostad/Ryan) **Moved, seconded, and passed: That the Ethics Commission adopt the previously approved regulations regarding Proposition O.**

**VIII. Discussion and possible action re: Proposed Sunshine Ordinance regulation clarifying the time and manner for filing the annual Sunshine Ordinance declaration required by SF Administrative Code Section 67.33 – Department Head Declaration.**

**Regulation 67.33-1 Annual Sunshine Ordinance Declaration**

**Motion 01-05-14-6 (Saslafsky/Melbostad) Moved seconded, and passed: That the Ethics Commission approve Regulation 67.33-1, as drafted.**

**IX. Discussion and possible action re: Approval of proposed advice letter concerning whether a member of the Planning Commission may represent private interests before the Redevelopment Agency.**

Ms. Ng reported that William W. Fay, D.D.S., a member of the San Francisco Planning Commission, requested advice regarding whether, under the Compensation Advocacy Ordinance, he can meet with the San Francisco Redevelopment Agency ("Agency") on matters related to his private dealings as a licensed real estate broker. Referring the Commission to the draft advice letter that was prepared by staff, Ms. Ng noted that while the Agency was authorized under the California Community Redevelopment Law, it exists solely to perform certain functions exclusively for, and in conjunction with, the City and County of San Francisco. She explained that a review of the ballot arguments to ascertain the voters' intent in passing the Ordinance provided no indication that the voters differentiated between appearances by City officials before City agencies that are created by the Charter or local ordinance, and appearances by City officials before agencies that are created by state law but operate solely in the City. Rather, the intent seems to be a prohibition against compensated advocacy by City officers appearing before any official body of government acting exclusively in the City.

Commissioner Philip S. Ryan questioned whether staff's proposed advice was inconsistent with the approved Proposition J regulation that excluded members of the Redevelopment Agency from the definition of "City and County public official." Ms. Ng stated that the issue was distinguishable: in the case of Prop. J, it is questionable whether Prop. J's limitations can extend to Redevelopment Agency officials. A Planning Commissioner, on the other hand, is a City official under the Administrative Code; therefore, it is clear that the compensated advocacy ban applies to him or her. The issue raised by Dr. Fay was whether the ban extends to his proposed contacts with the Agency; the staff determined that the voters intended that it so extends.

Ms. Ng noted for the record Dr. Fay's statement to her that he intends to comply with whatever advice the Commission provides on this matter.

Commissioner Ryan moved the Commission to waive its attorney-client privilege to disclose the legal opinion presented by the City Attorney on this matter. The motion failed for lack of a second.

**Motion 01-05-14-6 (Melbostad/Saslafsky) Moved, seconded and passed: That the Ethics Commission adopt the advice letter to Dr. Fay regarding Request for Opinion Concerning Compensated Advocacy, as drafted.**

Commissioner Ryan noted his dissent, citing *FPPC v. Superior Court of Los Angeles*, 25 Cal.3d 33 (1979). He explained that the Commission must be careful when it considers matters of appearances of impropriety when such matters raise First Amendment issues. He stated his belief that the ban violates Dr. Fay's constitutional rights.

**X. Discussion and possible action re: Items/priorities for future agendas.**

Ms. Vida referred the Commission to the memorandum dated May 10, 2001, regarding 2001 Policy Initiatives.

After some discussion, the Commission agreed to create a subcommittee consisting of Commissioner Ryan, Commissioner Melbostad and Commissioner Sharyn Saslafsky, with Commissioner Ryan as chair. The committee will hold one public hearing to review and discuss the policy initiatives related to Charter amendments affecting the structure, funding and authority of the Ethics Commission (item 1), including amendments to the Regulations for Investigations and Enforcement Proceedings (item 10). In addition, pursuant to Commissioner Saslafsky's statement about the importance of addressing the Whistleblower Ordinance (item 9), which may implicate the development of rules on incompatible activities for each department (item 8), the committee will consider item 9 as well.

Commissioner Kingsley acknowledged the imminent nature of the following initiatives: legislation proposed by Supervisors Leno and Peskin regarding amendments to Campaign Finance Reform Ordinance ("CFRO") (items 2 and 3); development of materials and workshops for implementation of Proposition O (item 4); and development of a manual for local candidates and committees on how to comply with local campaign finance laws (item 15).

Finally, noting Ms. Vida's concern that the initiative to amend the Electronic Filing Ordinance (item 5) be deemed a priority, Commissioner Kingsley indicated that the Commission should consider item 5 after a review of the above-referenced initiatives.

Mr. Marsteller suggested that funding for Proposition O may be dealt with as part of the consideration of item 1. Mike Mooney of San Francisco Common Cause asked about the process regarding funding for Proposition O. Commissioner Ryan said he expected the Mayor to propose funding for Proposition O. Commissioner Melbostad indicated that based on meetings with members of the Board's Finance Committee, he is also encouraged about the Board's interest in funding implementation of Proposition O.

Fred Ridel of San Francisco Common Cause indicated his support for the Commission to take up consideration of the Whistleblower Ordinance (item 9a) and development of rules on incompatible activities (item 8).

**XI. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission**

Mike Mooney of San Francisco Common Cause stated that certain City employees were pressured to campaign on behalf of a particular candidate prior to the November 7, 2000 election. He asked the Commission to consider ways to remedy such a situation. He also commended the Commission on its work.

**XII. Closed session held pursuant to Charter section C3.699-13, Brown Act section 54956.9(c) and Sunshine Ordinance section 67.11 to discuss pending litigation.**

The Commission convened to a closed session at 7:15 p.m.

**XIII. Discussion and vote pursuant to Brown Act section 54957.1 and Sunshine Ordinance section 67.12 on whether to disclose action taken or discussions held in closed session.**

At 8:03 p.m. the Commission reconvened in public session.

**Motion 01-05-14-7 (Grant/Ryan) Moved, seconded and passed: That the Charter provides that deliberations regarding complaints are confidential. Pursuant to section C3.699-13, the Ethics Commission finds that it is in the best interest of the public not to disclose its closed session deliberations re: pending litigation.**

**XIV. Adjournment**

At 8:04 p.m., the meeting was adjourned.

Respectfully submitted,

Shaista Shaikh

Shaista Shaikh
Campaign Finance Auditor

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Ethics Commission

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San Francisco, CA 94102
Phone 581-2300 Fax 581-2317

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# SAN FRANCISCO ETHICS COMMISSION
# NOTICE OF REGULAR MEETING
# AND AGENDA

"See revised agenda"

## Monday, June 11, 2001, 5:00 P.M.

## City Hall, 1 Dr. Carlton B. Goodlett Place, Room 408

I. Call to order and roll call

II. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission.

III. Discussion and possible approval of the minutes of the Ethics Commission meeting of May 14, 2001; and the minutes of the Committee on Future Initiatives meeting of May 31, 2001.

IV. Executive Director's report
1. Meetings with Supervisors
2. Public policy program
3. Advice and opinions
4. Investigation and enforcement program
5. Report on volume of calls received via the Whistleblower Hotline
6. Campaign finance disclosure program
7. Installation of On Line Filing System for City of Sacramento
8. Campaign finance audit program
9. Lobbyist program
10. Campaign consultant program
11. Statements of Economic Interests
12. Sunshine Declarations

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V. Discussion and possible action re: Report from the Finance Committee re: budget for FY 01-02

VI. Discussion and possible action re: Report from the Committee on Future Initiatives re: the following:

A. Two proposals introduced by Supervisor Newsom, amending the SF Charter as follows:

(Please turn over for page 2)

1. Proposal amending Sections 15.100, 15.101, 15.102, C3.699-14 and C3.699-15 to create agency status for the Ethics Commission; strengthen civil service protection of Commission employees; establish a budget process for the Commission; and establish independent legal counsel for the Commission (File No. 010955);

2. Proposal adding Sections 13.103.5, 13.104.3 and 13.104.5 and amending Sections 13.104 and 15.102 to create an Elections Commission; to establish that the Director of Elections serves at the pleasure of the Elections Commission; to establish a budget process for the Elections Commission and the Department of Elections; and to establish independent legal counsel for the Elections Commission and the Department of Elections (File No. 010956).

B. Two proposals introduced by Supervisor Daly, amending the SF Charter as follows:

1. Proposal amending Sections 15.100, 15.101, 15.102, C3.699-14 and C3.699-15 to create agency status for the Ethics Commission; strengthen civil service protection of Commission employees; establish a budget process for the Commission; and establish independent legal counsel for the Commission (File No. 010958);

2. Proposal adding Sections 13.103.5, 13.104.3 and 13.104.5 and amending Sections 13.104, 13.110 and 15.102 to create an Elections Commission; to establish that the Director of Elections is appointed by the Commission and may be removed for cause; to establish a budget process for the Commission and the Department of Elections; to establish independent legal counsel for the Commission and the Department of Elections; and to require appointments to an Elections Task Force by the Commission instead of the Director of Elections (File No. 010959).

C. Three proposals introduced by Supervisor Gonzalez, amending the SF Charter as follows:

1. Proposal adding Section 13.104.5 and amending Sections 6.102, 15.102 and C3.699-15 to allow any officer, department head, board or commission member to request that the City Attorney provide for outside legal counsel, to allow an appeal of any denial of a request for outside legal counsel to the Board of Supervisors, and to allow the Department of Elections and the Ethics Commission to retain outside legal counsel at the discretion of the Director of Elections or by a majority vote of the Ethics Commission, respectively (File No. 010962);

2. Proposal amending Section 2.100 and adding Section 15.109 to provide that the job of a member of the Board of Supervisors is a full time position, and to provide that the Supervisors' salary will be set by the Ethics Commission. The Ethics Commission will receive and consider a survey regarding salaries of comparable public sector positions found in the State of California, and will review and reconsider the Supervisors' salary every two years (File No. 010961);

3. Proposal adding Section 13.103.5 and amending Sections 13.104 and 15.105 to create an Elections Commission consisting of seven members appointed by the Mayor, the Board of Supervisors, the City Attorney, the Public Defender, the

(Continued)

District Attorney, the Ethics Commission and the Sunshine Task Force; to designate that the Director of Elections serves at the pleasure of the Elections Commission; and to provide a removal process for members of the Elections Commission (File No. 010963).

Copies of all the above-proposed Charter amendments are available from the Ethics Commission's office at 30 Van Ness Avenue, Suite 3900, San Francisco, CA 94102; or from the Commission's web site at www.sfgov.org/ethics/legislate.htm. A chart summarizing provisions of the above-proposed Charter amendments is also available from the office and web site.

D. Possible recommendations of the Ethics Commission re: Charter amendments proposed by Members of the Board of Supervisors.

E. Possible recommendation of the Ethics Commission to the Board of Supervisors that the Board propose to the voters the following Charter amendments:

1. Charter amendment clarifying that the members and staff of the Ethics Commission may explain to members of the public, and advocate for passage of, measures placed by the Ethics Commission before the voters;

2. Charter amendment providing that the Ethics Commission would retain jurisdiction over complaints referred to the City Attorney and District Attorney.

VII. Discussion and possible action re: legislative proposal by Supervisor Leno (File No. 010778) regarding regulation of mass mailings. Copies of this proposal are available from the Commission office and web site. See addresses above.

VIII. Discussion and possible action re: legislative proposal by Supervisor Peskin (File No. 010779) regarding regulation of recorded political messages. Copies of this proposal are available from the Commission office and web site. See addresses above.

IX. Discussion and possible action re: Items for future agendas.

X. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission

XI. Adjournment

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Ethics Commission

30 Van Ness Ave., Suite 3900
San Francisco, CA 94102
Phone 581-2300 Fax 581-2317

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# SAN FRANCISCO ETHICS COMMISSION
# NOTICE OF REGULAR MEETING
# AND AGENDA

**Monday, June 11, 2001, 5:00 P.M.**

**City Hall, 1 Dr. Carlton B. Goodlett Place, Room 408**

I. Call to order and roll call

II. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission.

III. Discussion and possible approval of the minutes of the Ethics Commission meeting of May 14, 2001; and the minutes of the Committee on Future Initiatives meeting of May 31, 2001.

IV. Executive Director's report
1. Meetings with Supervisors
2. Public policy program
3. Advice and opinions
4. Investigation and enforcement program
5. Report on volume of calls received via the Whistleblower Hotline
6. Campaign finance disclosure program
7. Installation of On Line Filing System for City of Sacramento
8. Campaign finance audit program
9. Lobbyist program
10. Campaign consultant program
11. Statements of Economic Interests
12. Sunshine Declarations

V. Discussion and possible action re: Report from the Finance Committee re: budget for FY 01-02

VI. Discussion and possible action re: Report from the Committee on Future Initiatives re: the following:

A. Two proposals introduced by Supervisor Newsom, amending the SF Charter as follows:

(Please turn over for page 2)

1. **Proposal amending Sections 15.100, 15.101, 15.102, C3.699-14 and C3.699-15 to create agency status for the Ethics Commission; strengthen civil service protection of Commission employees; establish a budget process for the Commission; and establish independent legal counsel for the Commission (File No. 010955);**

2. **Proposal adding Sections 13.103.5, 13.104.3 and 13.104.5 and amending Sections 13.104 and 15.102 to create an Elections Commission; to establish that the Director of Elections serves at the pleasure of the Elections Commission; to establish a budget process for the Elections Commission and the Department of Elections; and to establish independent legal counsel for the Elections Commission and the Department of Elections (File No. 010956).**

B. **Two proposals introduced by Supervisor Daly, amending the SF Charter as follows:**

1. **Proposal amending Sections 15.100, 15.101, 15.102, C3.699-14 and C3.699-15 to create agency status for the Ethics Commission; strengthen civil service protection of Commission employees; establish a budget process for the Commission; and establish independent legal counsel for the Commission (File No. 010958);**

2. **Proposal adding Sections 13.103.5, 13.104.3 and 13.104.5 and amending Sections 13.104, 13.110 and 15.102 to create an Elections Commission; to establish that the Director of Elections is appointed by the Commission and may be removed for cause; to establish a budget process for the Commission and the Department of Elections; to establish independent legal counsel for the Commission and the Department of Elections; and to require appointments to an Elections Task Force by the Commission instead of the Director of Elections (File No. 010959).**

C. **Three proposals introduced by Supervisor Gonzalez, amending the SF Charter as follows:**

1. **Proposal adding Section 13.104.5 and amending Sections 6.102, 15.102 and C3.699-15 to allow any officer, department head, board or commission member to request that the City Attorney provide for outside legal counsel, to allow an appeal of any denial of a request for outside legal counsel to the Board of Supervisors, and to allow the Department of Elections and the Ethics Commission to retain outside legal counsel at the discretion of the Director of Elections or by a majority vote of the Ethics Commission, respectively (File No. 010962);**

2. **Proposal amending Section 2.100 and adding Section 15.109 to provide that the job of a member of the Board of Supervisors is a full time position, and to provide that the Supervisors' salary will be set by the Ethics Commission. The Ethics Commission will receive and consider a survey regarding salaries of comparable public sector positions found in the State of California, and will review and reconsider the Supervisors' salary every two years (File No. 010961);**

3. **Proposal adding Section 13.103.5 and amending Sections 13.104 and 15.105 to create an Elections Commission consisting of seven members appointed by the Mayor, the Board of Supervisors, the City Attorney, the Public Defender, the**

(Continued)

District Attorney, the Ethics Commission and the Sunshine Task Force; to designate that the Director of Elections serves at the pleasure of the Elections Commission; and to provide a removal process for members of the Elections Commission (File No. 010963).

Copies of all the above-proposed Charter amendments are available from the Ethics Commission's office at 30 Van Ness Avenue, Suite 3900, San Francisco, CA 94102; or from the Commission's web site at www.sfgov.org/ethics/legislate.htm. A chart summarizing provisions of the above-proposed Charter amendments is also available from the office and web site.

D. Possible recommendations of the Ethics Commission re: Charter amendments proposed by Members of the Board of Supervisors.

E. Possible recommendation of the Ethics Commission to the Board of Supervisors that the Board propose to the voters the following Charter amendments:

1. Charter amendment clarifying that the members and staff of the Ethics Commission may explain to members of the public, and advocate for passage of, measures placed by the Ethics Commission before the voters;

2. Charter amendment providing that the Ethics Commission would retain jurisdiction over complaints referred to the City Attorney and District Attorney.

VII. Discussion and possible action re: legislative proposal by Supervisor Leno (File No. 010778) regarding regulation of mass mailings. Copies of this proposal are available from the Commission office and web site. See addresses above.

VIII. Discussion and possible action re: legislative proposal by Supervisor Peskin (File No. 010779) regarding regulation of recorded political messages. Copies of this proposal are available from the Commission office and web site. See addresses above.

IX. Discussion and possible action re: Items for future agendas.

X. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission

XI. Adjournment

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*Approved as amended 7/16/01*

**Minutes of the**
**Regular Meeting of the San Francisco Ethics Commission**
**City Hall, One Dr. Carlton B. Goodlett Place, Room 408**
**June 11, 2001, 5:00 p.m.**

**I. Call to order and roll call**

Commission Chairperson Carol M. Kingsley called the meeting to order at 5:12 p.m.

**COMMISSION MEMBERS PRESENT:** Carol M. Kingsley, Chairperson; Isabella H. Grant, Commissioner; Philip S. Ryan, Commissioner; Sharyn Saslafsky, Commissioner. Vice-Chairperson Paul Melbostad arrived at 6:10 p.m.

**STAFF PRESENT:** Ginny Vida, Executive Director; Mabel Ng, Deputy Executive Director; Frank Martinez Lester, Campaign Finance Assistant.

**OTHERS PRESENT:** Supervisor Mark Leno; Wade Crowfoot, Legislative Aide, Office of Supervisor Aaron Peskin; Burke Delventhal, Deputy City Attorney; Christopher Bowman; Anita Mayo, Pillsbury Winthrop.

**MATERIALS DISTRIBUTED:**
S.F. Ethics Commission Agenda, June 11, 2001.
Approved minutes of the S.F. Ethics Commission Meeting of April 4, 2001.
Draft minutes of the S.F. Ethics Commission Meeting of May 14, 2001.
Executive Director's Report, June 11, 2001.
Memo from Ginny Vida to Members, Ethics Commission Committee on Future Initiatives, Re: Minutes of the May 31, 2001 Meeting.
Draft minutes of the Ethics Commission Committee on Future Initiatives Meeting of May 31, 2001.
Chart outlining proposed Charter amendments submitted by various members of the Board of Supervisors.
Proposed Charter Amendments (File Nos. 010955 and 010956), submitted by Supervisor Gavin Newsom on May 25, 2001.
Proposed Charter Amendments (File Nos. 010958 and 101959), submitted by Supervisor Chris Daly on May 25, 2001.
Proposed Charter Amendments (File Nos. 010961, 010962, and 010963), submitted by Supervisor Matt Gonzalez on May 25, 2001.
Proposed Amendment to Campaign and Governmental Conduct Code (File 010778), submitted by Supervisor Mark Leno on April 27, 2001.
Proposed Amendment to Campaign and Governmental Conduct Code (File 010779), submitted by Supervisor Aaron Peskin on April 26, 2001.

**II. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission**

There was no public comment at this time.

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and that the Mayor had unequivocally approved funding for a Commission Secretary as an absolutely necessary position. Commissioner Melbostad said that the public had come to expect the Commission to wear more hats than it could handle and that it is unfair to give the staff more mandates than it can possibly manage.

Ms. Vida stated that the Finance Committee of the Board of Supervisors would consider the Commission's budget on June 19. Commissioner Melbostad offered to be present at the meeting, if his trial did not interfere. Chairperson Kingsley stressed to members of the public the urgency of additional funding for the Commission. She highly recommended and encouraged members of the public to make written statements supporting additional funding or to appear in person before the Board's Finance Committee to demonstrate support for the work of the Commission and its budgetary needs.

**V. Discussion and possible recommendations and action re:**

**a-d. Report from the Committee on Future Initiatives re various Charter amendments proposed by Supervisors Gavin Newsom (File Nos. 010955 and 010956), Chris Daly (File Nos. 010958 and 010959), and Matt Gonzalez (File Nos. 010962, 010961, and 010963).**

Chairperson Kingsley explained that the Commission, rather than consider each proposed Charter amendment separately, would consider each of the six categories set forth in the chart of the Charter amendments proposed by members of the Board of Supervisors, and decide whether or not to take a position on each category. If the Commission decides to take a position, it could adopt a resolution stating its position.

**Ex-officio Representation**

Commissioner Ryan expressed opposition to proposals calling for the Director of the Department of Elections to sit ex officio as a non-voting member on the Ethics Commission and the Executive Director of the Ethics Commission to sit ex officio as a non-voting member on the proposed Elections Commission. He said that there would be a severe conflict of interest for the Ethics Commission to seat a member on a body that it regulates.

Commissioner Melbostad stated that there are ways to have more familiarity between the two departments without having the directors of each sit on the other's commission. He said that he would second a resolution opposing the proposed amendments, but with the proviso that language be inserted to acknowledge that the Commission believes it is beneficial for the two bodies to coordinate their efforts more strongly and to share information more closely.

**Resolution 01-06-11-1 (Ryan/Melbostad) Moved, seconded, and passed: Be it resolved that although the Ethics Commission supports better coordination between the Ethics Commission and the Department of Elections, at this time it does not find that it is in the best interests of the Commission to have the Director of Elections sit**

Ms. Vida said that the City Attorney's office has provided excellent service, and added that she believes the public is well served by the current arrangement.

Deputy City Attorney Burke Delventhal stated that the current arrangement serves the public interest in that it maintains the independence of the City Attorney, who is elected by the voters rather than appointed by the Mayor or the Board of Supervisors. He explained that the setting up of due process walls between attorneys in the City Attorney's office, as well as recusal in cases of potential conflict, allows the City Attorney to represent all City departments. He said that deviating from the rule that the City Attorney is the attorney for all departments would create problems. For example, different attorneys may give different advice to the Mayor or the Board of Supervisors, and the Commission may end up in court with the judge trying to decide who speaks for the City—the Commission's counsel or the City Attorney. He stated that an attorney who is independently appointed by a body is less likely to give objective advice because he or she inevitably becomes beholden to the body that hired him or her.

Commissioner Melbostad asked Mr. Delventhal whether, in his view, it would be good policy for the Commission to be represented by the City Attorney but be authorized to retain the services of outside counsel by majority vote. Mr. Delventhal said that in those instances where there has been potential conflict, the City Attorney has recused herself; thus, he sees no need for changes. He said that walls of due process already in effect within the City Attorney's office would make the retention of outside counsel unnecessary.

Commissioner Ryan asked whether, if the proposed amendment were passed, the Ethics Commission would be the only body in the City empowered to fire the City Attorney and hire outside counsel. Mr. Delventhal said that would be the case.

Commissioner Melbostad stated that the Ethics Commission has the power to remove the City Attorney from office in cases of official misconduct. He posed the hypothetical of a corrupt City Attorney resisting removal from office. Commissioner Grant said that in such a case, the Commission could refer the City Attorney to the State Bar for disciplinary action.

Commissioner Melbostad and Commissioner Grant expressed agreement that the Commission should not take a position on the Gonzalez II proposal. Chairperson Kingsley said that there was not adequate information for the Commission to take a stand on the proposal at this time.

**Resolution 01-06-11-3 (Ryan/Saslafsky) Moved, seconded, and passed: Be it resolved that the Ethics Commission finds that it is in the best interests of the Ethics Commission and the people of San Francisco that the City Attorney remain the legal advisor for the Ethics Commission.**

**Elections Department provisions affecting Ethics Commission**

Commissioner Melbostad said that he was not inclined to take a position on any of these proposals because he had been informed by the supervisors involved that the proposals were submitted in a hurry, with a mind to getting the Commission's input and then crafting different proposals that everyone could agree upon.

Mr. Bowman said that he thought that the Ethics Commission's appointment of a member to any city body or agency would create an inherent conflict of interest.

e. **Possible recommendation of the Ethics Commission to the Board of Supervisors that the Board propose to the voters the following Charter amendments:**

1. **Charter amendment clarifying that the members and staff of the Ethics Commission may explain to members of the public, and advocate for passage of, measures placed by the Ethics Commission before the voters;**

2. **Charter amendment providing that the Ethics Commission would retain jurisdiction over complaints referred to the City Attorney and District Attorney.**

**Authorization to advocate for measures placed on the ballot by the Ethics Commission**

Ms. Vida said that this proposed amendment derived from her experience of being invited by numerous organizations to advocate on behalf of measures placed on the ballot by the Ethics Commission. Because the Charter prohibits staff from such advocacy, she has had to confine her presentations to explaining the measures.

Anita Mayo of Pillsbury Winthrop expressed opposition, noting that the California Penal Code prohibits use of public funds for political ends. Deputy City Attorney Chad Jacobs pointed out that Ms. Mayo is correct; however, the intent of what the Ethics Commission seeks would not violate Penal Code Section 424 and case law.

Mr. Bowman said that he is a strong proponent of this proposal, which would simply put the Commission on the same footing as any other city entity.

**Resolution 01-06-11-6 (Ryan/Saslafsky) Moved, seconded, and passed: Be it resolved that the Ethics Commission urges the Board of Supervisors to place before the voters a proposal clarifying the current language in the Charter to allow members and staff of the Ethics Commission to explain ballot measures placed before the voters by the Ethics Commission, and to advocate as private individuals for the passage of such measures.**

Ms. Vida agreed that funding for implementation should be ensured. She pointed out that Oliver Luby is currently assisting the Commission's investigator in a part-time temporary position, but that his position expires at the end of June. She said that the Commission needs a second full-time investigator. She agreed with Chairperson Kingsley that proposals introduced by Supervisors Leno and Peskin, if implemented, would both add to the Commission's current complaint load.

Commissioner Ryan said that the Commission staff is already heavily burdened with investigations and that the proposal would put the Commission in the untenable position of determining which ethical breaches to examine and not to examine. He added that he has a number of First Amendment concerns about the proposal.

Supervisor Leno arrived and commented on his proposal. He stated that he sensed from the 2000 supervisorial race that there are ways for someone who wants to do so to avoid compliance with existing campaign disclosure laws. He cited as hypotheticals a campaign hiring a printer who refrains from sending an invoice for its charges, or a campaign sending out several high quality glossy mailers despite having agreed to abide by expenditure limits. He said that his proposal addresses how to prevent such abuses.

Supervisor Leno acknowledged that the Commission needs additional funding and said that he is willing to talk with the Executive Director and members of the Commission about how to achieve that goal.

Chairperson Kingsley said that the consensus of the Commission had appeared to be that Supervisor Leno's amendment could not be approved at this time without a fiscal component that would permit the Commission to implement it. As a result, no action was taken on the Supervisor's proposal.

**VII. Discussion and possible action re: legislative proposal by Supervisor Aaron Peskin (File No. 010779) regarding regulation of recorded political messages.**

Wade Crowfoot, Legislative Aide to Supervisor Peskin, spoke on behalf of the Supervisor's proposal. He said that increasingly in local politics, paid recorded phone messages, including messages favoring or opposing issues and candidates, are part of the landscape, and that the 2000 supervisorial race was no exception. He said that Supervisor Peskin heard much frustration and cynicism from voters during the campaign as a result of messages left by unidentified callers on their answering machines or voice mail. A number of these messages had negative content, and none disclosed the source of their funding. Supervisor Peskin believes that these anonymous messages are a disservice to the political process, and that the proposal would help restore voter confidence in the process.

Chairperson Kingsley said that while most of the members of the Commission were sympathetic to the proposal and agreed in principle with its intent, the Commission had concerns about its ability to implement the proposal, similar to its concerns with Supervisor Leno's proposal. She added that the Commission would like to see a strategy for funding from the supervisor, especially in terms of a new investigator position.

**Ethics Commission**

30 Van Ness Ave., Suite 3900
San Francisco, CA 94102
Phone 581-2300 Fax 581-2317

# SAN FRANCISCO ETHICS COMMISSION
# NOTICE OF SPECIAL MEETING
# AND AGENDA

## Monday, July 16, 2001, 5:00 P.M.

## City Hall, 1 Dr. Carlton B. Goodlett Place, Room 408

**I.** **Call to order and roll call**

**II.** **Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission.**

**III.** **Discussion and possible approval of the minutes of the Ethics Commission meeting of June 11, 2001.**

**IV.** **Executive Director's report**

1. **Budget enhancements for FY 01-02**
2. **Regulations regarding Propositions J and O, and Sunshine Ordinance declarations**
3. **Charter amendment proposed by the Rules Committee**
4. **Advice and opinions**
5. **Investigation and enforcement program**
6. **Report on volume of calls received via the Whistleblower Hotline**
7. **Campaign finance disclosure program**
8. **Installation of On Line Filing System for City of Sacramento**
9. **Campaign finance audit program**
10. **Lobbyist program**
11. **Campaign consultant program**
12. **Statements of Economic Interests**

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**V.** **Discussion and possible action: Report from the Finance Committee.**

**A.** **Enhancements to FY 01-02 budget proposed by the Mayor and the Board of Supervisors; and**

**B.** **Staff recommendation for $130,000 budget for Proposition O implementation and enhancement of investigation and enforcement program. Copies of the proposed budget will be available on Thursday, July 12 from the Ethics Commission office at 30 Van Ness Avenue, Suite 3900, San Francisco, CA 94102; or from the Commission's web site at www.sfgov.org/ethics/legislate.htm.**

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VI. Discussion and possible action re: Charter amendment proposed by the Rules Committee of the Board of Supervisors that would affect the structure and authority of the Ethics Commission. Copies of this proposal will be available from the Commission office and web site on July 12. See addresses above.

VII. Discussion and possible action re: legislative proposal by Supervisor Leno (File No. 010778) regarding regulation of mass mailings. Copies of staff report and the legislative will be available on July 12. See addresses above.

VIII. Discussion and possible action re: legislative proposal by Supervisor Peskin (File No. 010779) regarding regulation of recorded political messages. Copies of staff report and legislative proposal will be available on July 12. See addresses above.

IX. Discussion and possible action re: Approval of proposed Candidates' Guide for City Elective Office

X. Discussion and possible action re: Nomination and election of Commission Chairperson and Vice-Chairperson to one-year terms ending July 1, 2002.

XI. Discussion and possible action re: Items for future agendas.

XII. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission

XIII. Closed session held pursuant to Charter section C3.699-13, Brown Act section 54956.9(c) and Sunshine Ordinance section 67.11 to discuss pending litigation

Conference with Legal Counsel: Anticipated litigation as plaintiff
Number of possible cases: 1

XIV. Discussion and vote pursuant to Brown Act section 54957.1 and Sunshine Ordinance section 67.12 on whether to disclose action taken or discussions held in closed session

Motion: The Charter provides that deliberations regarding complaints are confidential. Pursuant to section C3.699-13, the Ethics Commission finds that it is in the best interests of the public not to disclose its closed session deliberations re: pending litigation.

XV. Adjournment

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Approved 8/13/01

**Minutes of the**
**San Francisco Ethics Commission**
**City Hall, One Dr. Carlton B. Goodlett Place, Room 408**
**July 16, 2001, 5:00 p.m.**

## I. Call to order and roll call

Chairperson Carol M. Kingsley called the meeting to order at 5:25 p.m. Before calling the roll, she explained that the Board of Supervisors was meeting at the same time to consider placing a Charter amendment on the ballot that would affect the Ethics Commission. She said that she had been in discussions about procedures to follow that would permit individual members of the Commission to appear before the Board to provide public comment on the proposed Charter amendment.

**COMMITTEE MEMBERS PRESENT:** Carol M. Kingsley, Chairperson; Paul H. Melbostad, Vice-Chairperson; Isabella H. Grant, Commissioner; Philip S. Ryan Commissioner; and Sharyn Saslafsky, Commissioner.

**STAFF PRESENT:** Ginny Vida, Executive Director; Mabel Ng, Deputy Executive Director; Katherine Havener, Ethics Investigator/Legal Analyst; and Joe Lynn, Campaign Finance Officer.

**MATERIALS DISTRIBUTED:**

Agenda for Ethics Commission meeting, July 16, 2001

Draft minutes of June 11, 2001, meeting of the Ethics Commission

Approved Minutes of May 14, 2001, Meeting of the Ethics Commission

Executive Director's Report to the Ethics Commission for the Meeting of July 16, 2001

Memorandum dated July 12, 2001, from Ginny Vida to the Ethics Commission re Proposed Budget for $130,000 Add-on

Memorandum dated July 12, 2001, from Ginny Vida to the Ethics Commission re legislation to require candidates who pay for mass mailings to identify themselves on the mailings with a "paid for by" designation and to file a copy of the mass mailing along with an itemized disclosure statement with the Ethics Commission

Memorandum dated May 3, 2001, from Gloria Young to Ethics Commission re legislation proposed by Supervisor Leno (File 010778)

Memorandum dated July 12, 2001, from Ginny Vida to the Ethics Commission re legislation to require persons who fund recorded telephone calls that support or oppose candidates for City elective office to identify themselves as the source of funding

Memorandum dated May 3, 2001, from Gloria Young to Ethics Commission re legislation proposed by Supervisor Peskin (File 010779)

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technical but as involving a huge, radical and massive transformation of the Commission, calling into question the Commission's existence as an apolitical, independent board.

Chairperson Kingsley then asked Chad Jacobs, Deputy City Attorney, to confirm her understanding that there would be no further revisions to the Charter Amendment after today. Mr. Jacobs noted that historically the Department of Elections had allowed one late submission to the ballot. He said that if the Board asked the Department of Elections to allow a late submission in this case and if the Department consented, it would be possible for the Board to revise the proposed Charter amendment before voting on whether to place it on the ballot.

Chairperson Kingsley said that the Commission has a chance to review the revisions and give the Board the benefit of its input before the final vote. Commissioner Paul Melbostad agreed, saying the Commission should avail itself of the opportunity.

Commissioner Melbostad said that it may have been inappropriate for the Supervisors to criticize the Commission for not having appeared before the Rules Committee to comment on the Charter Amendment. He said he had called supervisorial aides to say that he had been out of town for family reasons and that his absence should not be misconstrued by the Board. Commissioner Melbostad said that while the Commission may differ on specific proposals before the Board, he did not believe the supervisors should conclude that the Commission would decline to support changes in its structure that might be proposed in the future.

Commissioner Ryan said that the Commission should inform the Board that the Commission had held extensive hearings; that thereafter the Commission rendered its judgment on the seven proposals previously submitted; that the Commission stands behind its earlier vote; and that the Commission opposes the new amendments on the basis that the measures have not been explained and the Commission does not know what they contain. He noted that the Commission did not have the ability to question the proponents of the measures as it did when it convened its Committee on Future Initiatives to consider the previous proposals.

Commissioners Isabella Grant and Sharyn Saslafsky said the Commission should discuss the amendments.

Chairperson Kingsley then announced that she had just learned that the Board of Supervisors would not be taking public comment at its meeting in progress; thus, the debate before the Board of Supervisors that evening would not be affected by the Commission's actions.

Ms. Vida stated that the Commission could take a position on issues in the revised amendments such as the change in appointing authority from the Controller to the Assessor and the sunsetting of the terms of the Commissioners. She said this might be the last opportunity for the Commission to voice its views on these matters before the Board takes a final vote next week on whether to place the Charter amendment before the voters. Chairperson Kingsley also agreed that there was merit in having the Commission's positions stated as part of the public record.

or employees. Currently, neither a member nor the Executive Director may hold other public office or any employment with the City or any City officer. Commission members said that extending the ban to employment with federal, state or district government goes too far. Commissioner Ryan stated his view that the proposal was unconstitutional and would preclude Commissioner Grant from serving as a federal magistrate. Commission members expressed concern that the proposed restrictions would adversely affect the ability of the Commission to recruit and retain members and staff.

Commission members also expressed concern that the proposed ban on members and employees from serving as an officer or employee or holding a policymaking position in an organization that makes political endorsements regarding candidates or ballot measures appearing on the ballot in San Francisco is too broad, vague and ambiguous; and the proviso that persons holding such positions resign in order to serve on the Commission is too severe. Commissioner Saslafsky expressed concern that a member may be precluded from pursuing a livelihood should his or her organization happen to endorse a ballot measure that appears on the ballot in San Francisco, even though the member plays no role in the endorsement process. Deputy Executive Director Mabel Ng noted that she is the legislative co-chair of the Asian American Bar Association, which makes recommendations on legislative proposals presented before the State Bar. She expressed concern that the proposed amendments would mean that she must terminate her volunteer services simply because an attenuated part of the organization – in which she plays no part – makes an endorsement of a judicial candidate who appears on the ballot in San Francisco. The Commission members expressed their view that the proposals go too far in barring political expression, stating that the restrictions would adversely affect the ability of the Commission to recruit and retain members and staff.

**Motion 01-07-16-5 (Grant/Saslafsky) Moved, seconded and passed: Be it resolved that while the Ethics Commission accepts the current limitations on employment, political expression, and conflicts of interest as they apply to members and employees, the Commission opposes the extension of these restrictions to state, federal or district governmental bodies as proposed in Sections 15.100 and 15.101.**

Specifically, the Commission recommended that the following underlined language in paragraph 5 of Section 15.100 be deleted: During his or her tenure, a member of the Commission may not: hold any other public office or employment with the City, state or federal government, with a district governmental body, with the governing body of any political party, with any City, district, state or federal official, or with a member of the governing body of any political party; participate in, contribute to, solicit contributions to, publicly endorse or urge the endorsement of a campaign supporting or opposing a candidate for City, district, state or federal office appearing on the ballot in San Francisco, the governing body of any political party appearing on the ballot in San Francisco, a City, regional or state ballot measure appearing on the ballot in San Francisco, or a City official seeking any elective office;

**Motion 01-07-16-6 (Grant/Ryan) Moved seconded, and passed that the following two paragraphs on p. 13 of the proposed Amendment should be deleted as being two broad:**

However, he noted that members and employees are already banned from appearing before the Commission for a period of two years after termination of service or employment to represent any private interest. Commission members expressed concern that the post-employment restrictions as worded were too broad. They said it is unclear why former members and employees cannot be employed by lobbyists or campaign consultants or by a person employed by or holding office on a committee as defined by the S.F. Campaign and Governmental Conduct Code, or that they cannot become lobbyists or campaign consultants when they leave service with the Commission. Because of the current post-employment ban, no advantage with respect to the Commission's work would be gained by a former member or employee acting as a lobbyist or campaign consultant. The Commissioners also expressed concern that extending the current restrictions will make it difficult to recruit members and employees.

Commissioner Ryan stated that the provisions are unconstitutional and could eliminate anyone from serving on the Commission. He said that while political reform should increase participation in the process, these provisions would inhibit it. Commissioner Grant added that the amendment was too restrictive and somewhat ambiguous, vague and overbroad.

**Motion 01-07-16-9 (Grant/Ryan): Moved, seconded and passed: Be it resolved that the Ethics Commission recommends removal of the post-employment restrictions as proposed in Sections 15.100 and 15.101.**

Specifically, the Commission recommended that the following underlined language in paragraph 7 of Section 15.100 be **deleted**: For a period of one year upon completing his or her service with the Commission, no member of the Commission may be a lobbyist or campaign consultant as defined under the City's lobbyist or campaign consultant ordinances; or employ or be employed by, or receive any gifts or other compensation from a person required to register as a lobbyist or campaign consultant under the City's lobbyist or campaign consultant ordinances, a person who employs someone required to register as a lobbyist or campaign consultant under the City's lobbyist or campaign consultant ordinances, or a committee, as defined under San Francisco Campaign and Government Conduct Code section 1.305.

**G. Outside Legal Counsel:**

Commissioner Ryan noted that at its meeting on June 11, 2001, when the Commission considered seven Charter amendments proposed by Supervisors Newsom, Daly and Gonzalez, the Commission determined that it was in the best interests of the Commission and the people of San Francisco that the City Attorney remain the legal advisor to the Ethics Commission.

Commissioner Melbostad noted that due to time constraints, the Commission did not take a position on Supervisor Gonzalez's proposal to retain the City Attorney as legal counsel but to allow the Commission, by majority vote, to engage outside legal counsel. Under the consolidated proposal, the City Attorney remains the legal counsel for the Commission; however, the proposal also provides that the Commission may engage legal counsel in certain circumstances.

**VIII. Discussion and possible action re: legislative proposal by Supervisor Peskin (File No. 010779) regarding regulation of recorded political messages.**

The commissioners expressed support for Supervisor Peskin's proposal.

Deputy Executive Director Mabel Ng noted that Supervisor Peskin was prepared to leave the Board meeting to testify before the Commission on behalf of his proposal, but given the apparent consensus by the Commission, his appearance would not be necessary.

**Motion 01-07-16-12 (Saslafsky/Grant): Moved, seconded and passed (4-0): Be it resolved that the Ethics Commission supports the proposal by Supervisor Peskin as expressed in File No. 010779.**

**IX. Discussion and possible action re: Approval of proposed Candidates' Guide for City Elective Office**

Ms. Vida noted that many candidates are new to the electoral process and might inadvertently violate state and local campaign finance laws. She said the Commission's responsibility to educate the candidates concerning these laws was furthered by the proposed Candidates' Guide.

Commissioner Saslafsky complimented the City Attorney's Office, particularly Deputy City Attorney Abe Friedman, and the Commission staff for the clarity of the Guide.

**Motion 01-07-16-13 (Saslafsky/Grant): Moved, seconded and passed: That the Ethics Commission adopt and promulgate the Candidates' Guide for City Elective Office.**

**X. Discussion and possible action re: Nomination and election of Commission Chairperson and Vice-Chairperson to one-year terms ending July 1, 2002.**

**Motion 01-07-16-14 (Grant /Saslafsky): Moved, seconded and passed: That the election be postponed until the next meeting.**

**XI. Discussion and possible action re: Items for future agendas.**

There was no discussion at this time.

**XII. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission**

There was no public comment.

**XIII. Closed session held pursuant to Charter section C3.699-13, Brown Act section 54956.9(c) and Sunshine Ordinance section 67.11 to discuss pending litigation**

It was decided to postpone any closed session until the next meeting.

**XIV. Discussion and vote pursuant to Brown Act section 54957.1 and Sunshine Ordinance section 67.12 on whether to disclose action taken or discussions held in closed session**

There was no closed session.

## Ethics Commission

August 13, 2001

30 Van Ness Ave., Suite 3900
**Ethics Commission** San Francisco, CA 94102
Phone 581-2300 Fax 581-2317

# SAN FRANCISCO ETHICS COMMISSION NOTICE OF REGULAR MEETING AND AGENDA

## Monday, August 13, 2001, 5:00 P.M.

## City Hall, 1 Dr. Carlton B. Goodlett Place, Room 408

I. Call to order and roll call

II. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission.

III. (5:10 to 5:30 p.m.) Closed session held pursuant to Charter section C3.699-13, Brown Act section 54956.9(c) and Sunshine Ordinance section 67.11 to discuss pending litigation

Conference with Legal Counsel: Anticipated litigation as plaintiff

Number of possible cases: 2

IV. Discussion and vote pursuant to Brown Act section 54957.1 and Sunshine Ordinance section 67.12 on whether to disclose action taken or discussions held in closed session

Motion: The Charter provides that deliberations regarding complaints are confidential. Pursuant to section C3.699-13, the Ethics Commission finds that it is in the best interests of the public not to disclose its closed session deliberations re: pending litigation.

V. Discussion and possible approval of the minutes of the Ethics Commission meeting of July 16, 2001

VI. Executive Director's report

1. Additional funding: FY 01-02 Budget

2. Implementation of limited public financing program

3. Proposed Ethics-related Charter amendment on November 2001 ballot*

4. Campaign finance reform legislation proposed by Supervisors Leno and Peskin

5. Civil Grand Jury's report and request for Ethics Commission response

6. Advice and opinions

7. Investigation and enforcement program

8. Report on volume of calls received via the Whistleblower Hotline

9. Campaign finance disclosure program

10. On Line Filing System

11. Campaign finance audit program

12. Lobbyist program

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13. Campaign consultant program

14. Statements of Economic Interests

15. Sunshine Declarations

*Copies of the proposed Charter amendment are available from the Ethics Commission's office at 30 Van Ness Avenue, Suite 3900, San Francisco, CA 94102; or from the Commission's web site at www.sfgov.org/ethics/legislate.htm.

VII. Discussion and possible action re: Guidelines for selection of Year 2000 campaign committees for audit in FY 01-02. A staff report will be available from the Ethics Commission office and web site on Thursday, August 9.

VIII. Discussion and possible action re: Asking the Board of Supervisors to propose an amendment to the Charter that would allow the Ethics Commission, or members and staff of the Ethics Commission in their individual capacities, to advocate for or against ballot measures that affect the Commission's structure, authority or jurisdiction.

IX. Discussion and possible action re: Nomination and election of Commission Chairperson and Vice-Chairperson to one-year terms ending July 1, 2002.

X. Discussion and possible action re: Items for future agendas.

XI. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission

XII. Adjournment

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Approved 9/10/01

**Minutes of the**
**San Francisco Ethics Commission**
**City Hall, One Dr. Carlton B. Goodlett Place, Room 408**
**August 13, 5:00 p.m.**

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**I. Call to order and roll call**

Chairperson Carol M. Kingsley called the meeting to order at 5:03 p.m.

**COMMITTEE MEMBERS PRESENT:** Carol M. Kingsley, Chairperson; Paul H. Melbostad, Vice-Chairperson; Isabella H. Grant, Commissioner; and Sharyn Saslafsky, Commissioner.

**STAFF PRESENT:** Ginny Vida, Executive Director; Mabel Ng, Deputy Executive Director; Katherine Havener, Ethics Investigator/Legal Analyst; and Shaista Shaikh, Campaign Finance Auditor.

**MATERIALS DISTRIBUTED:**

Agenda for Ethics Commission meeting, August 13, 2001

Draft minutes of July 16, 2001, meeting of the Ethics Commission

Approved Minutes of June 11, 2001, Meeting of the Ethics Commission

Executive Director's Report to the Ethics Commission for the Meeting of August 13, 2001

Text of Proposed Charter Amendment re Elections, Ethics, Outside Counsel

Text of Proponent's Ballot Argument re Elections, Ethics, Outside Counsel Charter Amendment

Ballot Simplification Committee Draft Text, dated August 1, 2001, of Charter Amendment re Ethics, Elections, Ethics, Outside Counsel

Letter dated August 1, 2001, from Ginny Vida to Members, Ballot Simplification Committee re Proposed Charter Amendments Concerning Elections, Ethics and Outside Counsel

Ballot Simplification Committee Final Text, dated August 10, 2001, of Charter Amendment re Ethics, Elections, Outside Counsel

Ballot Question re Proposition E

Memorandum dated July 30, 2001, from Ginny Vida to Ethics Commission re Civil Grand Jury Report

"Secretary of State's Tangled Web Site," San Francisco Chronicle, August 13, 2001

**II. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission.**

Former Ethics Commission member Philip S. Ryan requested that the Commission include as a matter of public record copies of all written materials concerning items 1, 2, and 3 of the Executive Director's Report. Mr. Ryan questioned whether the legislation proposed by Supervisors Leno and Peskin had been referred to the Ethics Commission's Committee on Future Initiatives. He also asked whether and under what authority the Ethics Commission had made presentations to the Civil Grand Jury.

Regarding agenda item VIII, consideration of a proposed Charter amendment to allow the Ethics Commission to advocate for or against ballot measures affecting the Commission's structure, authority and jurisdiction, Mr. Ryan stated that while he previously supported such a proposal, he now opposes it. He asked the Commission to address the matter of Commissioners and staff engaging in ex-parte communications with the Board of Supervisors or other City officials without the direction, authority and vote of the Commission. He stated that he believes that such communications have taken place.

In response to Mr. Ryan's concerns, Chairperson Kingsley stated that all members of the Commission were in favor of Supervisors Leno's and Peskin's legislative proposals; therefore, further deliberation on those matters was not necessary. She added that she would pass comment on the Civil Grand Jury report.

When asked by Chairperson Kingsley to comment on his change of position regarding item VIII, Mr. Ryan stated that the Commission's appearance as an apolitical entity is vital. However, he added that the Board of Supervisors had forced the Commission into becoming a political body.

Mike Mooney of San Francisco Common Cause expressed disappointment in the Board's proposed Charter amendment affecting the Ethics Commission. He stated that he believes that the process by which the Board of Supervisors Rules Committee adopted the amendment was unfair and outrageous. He added that it is appropriate for the Commission to provide education about and campaign for certain matters.

Vice-Chairperson Paul H. Melbostad noted that as a result of the Commission's inability to comment on measures affecting it, the public is deprived of information concerning the deliberations that led to the placement of the proposed amendment on the ballot.

**III. Closed session held pursuant to Charter section C3.699-13, Brown Act section 54956.9(c) and Sunshine Ordinance section 67.11 to discuss pending litigation**

**Motion 01-08-13-1 (Grant/Saslafsky) Moved, seconded, and passed: that the Commission adjourn to closed session.**

The closed session was held from 5:20 p.m. to 5:50 p.m.

**IV. Discussion and vote pursuant to Brown Act section 54957.1 and Sunshine section 667.12 on whether to disclose action taken or discussions held in closed session**

**Motion 01-08-13-2 (Grant/Saslafsky) Moved, seconded, and passed: The Charter provides that deliberations regarding complaints are confidential. Pursuant to section C3.699-13, the Ethics Commission finds that it is in the best interests of the public not to disclose its closed session deliberations re: pending litigation.**

**V. Discussion and possible approval of the minutes of the Ethics Commission meeting of June 11, 2001**

**Motion 01-08-13-1 (Saslafsky/Grant) Moved, seconded, and passed: that the minutes of the July 16, 2001 meeting be adopted as drafted.**

**IV. Executive Director's Report**

Executive Director Ginny Vida directed the Commission to her written report. She noted that the Rules Committee had approved that morning the proponent's argument for the proposed ethics-related Charter amendment. She advised that Supervisor Newsom's office had incorporated some language that she had suggested for greater accuracy.

Ms. Vida also reported that she and Commissioner Melbostad had appeared before the Ballot Simplification Committee to request changes in the Committee's proposed summary statement of the ethics-related Charter amendment for the voter handbook. She reported that the Committee had agreed to incorporate language relating to the expiration of terms of the current Commissioners.

Ms. Vida further reported that the Economic Vitality, Small Business and Social Policy Committee had approved Supervisor Peskin's proposal regarding disclosure of the funding source of recorded political telephone messages. She said she had attended the full Board meeting earlier in the day, when the Board voted 10-0 to pass the legislation. The legislation will be considered by the Board on second reading next week.

Ms. Vida announced the settlement of Complaint No. 33-001207: The Committee for Honest Government in San Francisco agreed to pay the Ethics Commission $8,000 for its failure to disclose its contributors and to file timely numerous campaign statements. The Committee's treasurer, L. Jay Tenenbaum, entered into the agreement on behalf of the Committee, thereby resolving the complaint.

**VII. Discussion and possible action re: Guidelines for selection of Year 2000 campaign committees for audit in FY 01-02**

Chairperson Kingsley noted that staff proposed to audit six instead of ten committees in FY 2001. She asked Campaign Finance Auditor Shaista Shaikh to explain why the number of audits should be reduced from ten to six.

Ms. Shaikh explained that the Commission's Auditor will need to set aside time to develop a Prop O audit manual for procedures to follow in conducting audits on all publicly financed candidates. In addition, she will devote time to training auditors from the Controller's staff on how to conduct political audits, and she will also train the Commission's new Auditor, who will join the Commission staff on April 1, 2002.

**Motion 01-08-13-4 (Saslafsky/Grant) Move, seconded and passed: that the Commission approve staff's proposal regarding the selection of Year 2000 committees for audit in FY 01-02.**

**VIII. Discussion and possible action re: Asking the Board of Supervisors to propose an amendment to the Charter that would allow the Ethics Commission, or members and staff of the Ethics Commission in their individual capacities, to advocate for or against ballot measure that affect the Commission's structure, authority or jurisdiction.**

Chairperson Kingsley noted that the advocacy proposal is limited to items on which the Commission has taken a formal position. She explained that the Commission is in a predicament that was perhaps never contemplated by the framers of the initiative that created it. For instance, the upcoming November ballot contains Proposition E, a Charter amendment that affects the structure and work of the Commission, yet the Commission is forbidden from speaking about it. Because the voters are deprived of the Commission's experience and expertise, they will vote having received only the Board's perspective on the measure.

Chairperson Kingsley suggested that the advocacy proposal might be placed on the March 2002 ballot. If approved by the voters, it would affect future elections; it would have no effect on the Commission's ability to advocate with respect to the November 2001 ballot measure.

Vice-Chairperson Melbostad suggested that the Commission might consider the proposal as part of a future ballot measure to restructure the Ethics Commission. Chairperson Kingsley advised that she did not believe that the voters, having just voted on a measure in November 2001 to restructure the Commission, would be ready to consider another such proposal.

Commissioner Isabella H. Grant asked whether the Commission had previously suggested such a proposal to the Board of Supervisors. Ms. Vida explained that the prior proposal dealt only with measures placed on the ballot by the Commission itself, whereas the current proposal covers all ballot measures that affect the Commission's structure, authority and jurisdiction, regardless of who places them on the ballot. Commissioner Grant suggested that the proposal be as broad as possible, covering both measures placed on the ballot by the Commission and all other measures affecting the Commission's structure, authority and jurisdiction.

Chairperson Kingsley and Commissioners Grant and Sharyn Saslafsky stated that the Commission should be allowed to comment on Proposition E, the ethics-related Charter amendment. Commissioner Saslafsky further commented that the proposal to allow the Commission to advocate for or against ballot measures would not apply to the current Commission, as all members would be gone by February 1, 2001; instead, the proposal would allow a future Commission to have a say in measures that affect its structure and authority.

**Motion 01-08-13-5 (Saslafsky/Grant) Moved, seconded and passed: that 1) the Commission request that the Board of Supervisors propose a Charter amendment**

**to allow the Ethics Commission and its members and staff to advocate on behalf of measures placed on the ballot by the Commission or any ballot measure affecting the Commission's structure, authority or jurisdiction regardless of how it was placed on the ballot; and 2) the Commission directs staff to draft language regarding such a proposal for the Commission's approval.**

Mr. Mooney expressed his support for the motion and recommended that the Commission continue to deliberate until the deadline to submit such proposals to the Board in the event that the Commission decides to include other items in the proposal.

**IX. Discussion and possible action re: Nomination and election of Commission Chairperson and Vice-Chairperson to one-year terms ending July 1, 2002**

After some discussion, it was decided that the Commission delay consideration of this item until the next meeting.

**X. Discussion and possible action re: Items for future agendas.**

Vice-Chairperson Melbostad recommended that the Commission move forward with proposals to make the Commission more effective. He advised that he has received a conflicts of interest code that could serve as a model for the Commission to use in establishing list of incompatible activities for City departments. The Commission advised staff to update the list of policy priorities for discussion at its next meeting.

Commissioner Saslafsky complimented Ms. Vida for the work she did in requesting changes to language in the Proponent's Argument and the Ballot Simplification Committee's statement regarding Proposition E.

Ms. Vida reported that Supervisor Peskin had expressed his appreciation to the Commission for its support of his legislation.

**XI. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission**

There was no public comment.

**XII. Adjournment**

The meeting was adjourned at 6:30 p.m. The next Commission meeting will be held on Monday, September 10, 2001.

Respectfully submitted,

Shaista Shaikh

Campaign Finance Auditor

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Ethics Commission

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# SAN FRANCISCO ETHICS COMMISSION
# NOTICE OF REGULAR MEETING AND AGENDA

**Monday, September 10, 2001, 5:00 P.M.**

**City Hall, 1 Dr. Carlton B. Goodlett Place, Room 408**

I. **Call to order and roll call**

II. **Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission.**

III. **(5:10 to 5:30 p.m.) Closed session held pursuant to Charter section C3.699-13, Brown Act section 54956.9(c) and Sunshine Ordinance section 67.11 to discuss pending litigation**

**Conference with Legal Counsel: Anticipated litigation as plaintiff**

**Number of possible cases: 2**

IV. **Discussion and vote pursuant to Brown Act section 54957.1 and Sunshine Ordinance section 67.12 on whether to disclose action taken or discussions held in closed session**

**Motion: The Charter provides that deliberations regarding complaints are confidential. Pursuant to section C3.699-13, the Ethics Commission finds that it is in the best interests of the public not to disclose its closed session deliberations re: pending litigation.**

V. **Discussion and possible approval of the minutes of the Ethics Commission meeting of August 13, 2001**

VI. **Executive Director's report**

1. **Additional funding: FY 01-02 Budget**
2. **Implementation of limited public financing program**
3. **Proposed Ethics-related Charter amendment on November 2001 ballot***
4. **Campaign finance reform legislation proposed by Supervisors Peskin and Leno**
5. **Response to Civil Grand Jury's recommendations re: special assistants**
6. **Advice and opinions**
7. **Investigation and enforcement program**
8. **Report on volume of calls received via the Whistleblower Hotline**
9. **Campaign finance disclosure program**
10. **On Line Filing System**
11. **Campaign finance audit program**
12. **Lobbyist program**

**(Please turn over)**

13. Campaign consultant program
14. Statements of Economic Interests
15. Sunshine Declarations
16. Representation at annual conference of Council on Governmental Ethics Laws
17. Meeting with representative of the Philippines

*Copies of the proposed November 2001 Charter amendment are available from the Ethics Commission's office at 30 Van Ness Avenue, Suite 3900, San Francisco, CA 94102; or from the Commission's web site at www.sfgov.org/ethics/legislate.htm.

VII. Discussion and possible action re: Approval of draft legislation proposing an amendment to the Charter, which the Ethics Commission would ask the Board of Supervisors to place on the March 2002 ballot, that would allow the Ethics Commission greater authority to express its positions on ethics-related City ballot measures. The draft legislation will be available from the Commission office and its web site on Thursday, September 6.

VIII. Discussion and possible action re: Selection of Year 2000 campaign committees for audit in FY 01-02. Six committees will be selected for audit from a pool of local committees that the Commission has identified as subject to audit. A list of committees included in the audit pool will be available from the Commission office and its web site on Thursday, September 6. Guidelines for selection of Year 2000 committees for audit were approved at the Commission's August 13 meeting and are available from the Commission office.

IX. Discussion and possible action re: Approval of draft letter to the Honorable Ronald Quidachay, responding to the Civil Grand Jury's recommendations to the Ethics Commission to "review the policies governing political activities by City employees" and to "promulgate guidelines and conduct periodic reviews to ensure that there is neither coercion of employees nor improper political influence in the workplace and make recommendations to [the] Board of Supervisors for consideration and adoption." The draft letter will be available from the Commission office and its web site on Thursday, September 6.

X. Discussion and possible action re: Nomination and election of Commission Chairperson and Vice-Chairperson to one-year terms ending July 1, 2002.

XI. Discussion and possible action re: Items for future agendas. A copy of the revised List of Commission Initiatives will be available from the Commission office and its web site on Thursday, September 6.

XII. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission

XIII. Adjournment

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Approved: October 15, 2002

**Minutes of the**
**San Francisco Ethics Commission**
**City Hall, One Dr. Carlton B. Goodlett Place, Room 408**
**September 10, 2001 5:00 p.m.**

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**I. Call to order and roll call**

Chairperson Carol M. Kingsley called the meeting to order at 5:05 p.m.

**COMMITTEE MEMBERS PRESENT:** Carol M. Kingsley, Chairperson; Paul H. Melbostad, Vice-Chairperson; Isabella H. Grant, Commissioner; and Sharyn Saslafsky, Commissioner.

**STAFF PRESENT:** Ginny Vida, Executive Director; Mabel Ng, Deputy Executive Director; Katherine Havener, Ethics Investigator/Legal Analyst; Shaista Shaikh, Campaign Finance Auditor, and Joe Lynn, Campaign Finance Officer.

**Materials Distributed:**

Agenda for September 10, 2001, Regular Meeting
Draft Minutes for the August 13, 2001, Meeting
Approved Minutes for the July 16, 2001, Meeting
Executive Director's Report for the Meeting of September 10, 2001
Draft of Proposed Amendment to current Charter (for March 2002 ballot)
Draft of Proposed Amendment to Charter should Prop. E pass (for March 2002 ballot)
Memorandum to Members of the San Francisco Ethics Commission from Ginny Vida dated September 6, 2001, re Policy Initiatives
Draft of Letter dated September 10, 2001, to Hon. Ronald Evans Quidachay from Ginny Vida, re Ethics Commission Response to the 2000-2001 Civil Grand Jury Report
Memorandum to Members of the San Francisco Ethics Commission from Ginny Vida dated August 30, 2001, re Committees included in Year 2000 Audit Pools
Report to President Shelley by Harvey Rose dated March 3, 1995 re Resources Allocated to City's Ethics Laws

**II. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission.**

There was no public comment.

**III. Closed session held pursuant to Charter section C3.699-13, Brown Act section 54956.9(c) and Sunshine Ordinance section 67.11 to discuss pending litigation.**

**Conference with Legal Counsel: Anticipated litigation as plaintiff**

**Number of possible cases: 2**

**Motion 01-09-10-1 (Melbostad/Saslafsky): Moved, seconded, and passed: that the Commission adjourn to closed session.**

The closed session was held from 5:10 p.m. to 6:05 p.m.

**IV. Discussion and vote pursuant to Brown Act section 54957.1 and Sunshine Ordinance section 67.12 on whether to disclose action taken or discussions held in closed session.**

**Motion 01-01-10-2 (Melbostad/Grant): Moved, seconded, and passed: that the Charter provides that deliberations regarding complaints are confidential. Pursuant to section C3.699-13, the Ethics Commission finds that it is in the best interests of the public not to disclose its closed session deliberations re: pending litigation.**

**V. Discussion and possible approval of the minutes of the Ethics Commission meeting of August 13, 2001.**

**Motion 01-09-10-3 (Saslafsky/Melbostad): Moved, seconded, and passed: that the minutes of the Ethics Commission meeting of August 13, 2001 be adopted as drafted.**

**VI. Executive Director's report**

Executive Director Ginny Vida referred the Commission to her written report. She advised that legislation may be required to give the Commission the authority to use part of the $100,000 added onto the Commission FY 2002 budget by the Board of Supervisors to hire an assistant legal analyst to help with investigations.

Ms. Vida reported that legislation has reached the floor of the California State Senate authorizing the Secretary of State to spend $600,000 to develop an on-line campaign reporting system for use by state electronic filers. There had been some hope that the Secretary of State would be directed to adopt the Commission's On Line Filing System, but that language was not included in the bill.

She also reported that the City of San Diego had recently established an Ethics Commission and that a delegation from that Commission will be visiting on Tuesday, September 18.

**VII. Discussion and possible action re: Approval of draft legislation proposing an amendment to the Charter, which the Ethics Commission would ask the Board of Supervisors to place on the March 2002 ballot, that would allow the Ethics Commission greater authority to express its positions on ethics-related City ballot measures.**

Chairperson Kingsley explained that under the Charter, neither the Ethics Commission nor its members may comment on ballot measures. As a result, the Commission cannot advocate for or against Proposition E, the November ballot measure that affects the structure of the Ethics Commission. At the Commission's request, staff prepared draft language amending the Charter to allow the Commission to advocate on behalf of any ballot measure affecting the Commission's structure, authority or jurisdiction. Staff prepared two proposals for the Commission's consideration. The language of both proposals is identical. One amends the Charter as it presently exists; the second amends the Charter as it would exist if Proposition E were adopted by the voters in November.

Deputy City Attorney Chad Jacobs explained that each proposal includes three options for the Commission's review. Option A permits members and staff of the Commission in their private capacity to participate in campaigns to support or oppose City ballot measures that affect the Commission. Option B permits the Commission to submit ballot arguments regarding ballot

measures that affect the Commission's structure, authority or jurisdiction, or that are placed on the ballot by the Commission itself. Option C permits the Commission to submit ballot arguments regarding ballot measures placed on the ballot by the Commission.

Ms. Vida stated that none of the options permits the use of City resources to advocate a position on a ballot measure. Mr. Jacobs explained that Option B continues the present system whereby Commission members or staff may explain the rationale for the Commission's placement of a measure on the ballot; in addition, the Option authorizes the Commission to place a ballot argument in the voter handbook concerning any ethics-related ballot measure. The Commission would not be able to issue press releases or solicit editorial support. Ms. Vida added that Option B would enable the Commission to give the public the benefit of its experience and expertise on matters that affect the Commission.

**Motion 01-09-10-4 (Saslafsky/Grant): Moved, seconded, and passed: that Option B of the proposed Charter Amendment be forwarded to the Board of Supervisors with a request that the Board place the amendment on the March 5, 2002 ballot.**

**VIII. Discussion and possible action re: Selection of Year 2000 campaign committees for audit in FY 01-02. Six committees will be selected for audit from a pool of local committees that the Commission has identified as subject to audit.**

Campaign Finance Auditor Shaista Shaikh explained the procedures previously adopted by the Commission for selection of committees to be audited. She explained that six committees would be selected from two pools. One pool includes candidate committees, and the other pool includes non-candidate committees. The two pools are further divided into 3 levels by the amount of activity reported: Level 1) $100,000 and over; Level 2) From $50,000 to $100,000; and Level 3) Under $50,000.

The names of the committees, recorded on identical pieces of folded paper, were then placed in a box for the random selection process. Commissioner Sharyn Saslafsky drew the names of the following committees:

1. Candidate (Level 1) – Committee to Re-Elect Amos Brown;

2. Candidate (Level 2) -- Gerardo C. Sandoval for Supervisor;

3. Candidate (Level 3) -- Silver 2000 Committee to Elect Carol Ruth Silver;

4. Other Committee (Level 1) -- Committee on Jobs Candidate Advocacy Fund;

5. Other Committee (Level 2) -- Committee Against Increased Homelessness, A Committee Opposing Proposition E; and

6. Other Committee (Level 3) -- Housing for All a Committee for Proposition H.

**IX. Discussion and possible action re: Approval of draft letter to the Honorable Ronald Quidachay, responding to the Civil Grand Jury's recommendations to the Ethics Commission to "review the policies governing political activities by City employees" and to "promulgate guidelines and conduct periodic reviews to ensure that there is**

**neither coercion of employees nor improper political influence in the workplace and make recommendations to [the] Board of Supervisors for consideration and adoption."**

Vice-Chairperson Paul H. Melbostad expressed concern regarding the issue of whether special assistants have been hired for political payback purposes. Ms. Vida noted that the proposed letter responding to the Civil Grand Jury (CGJ) addresses only the issues raised by the CGJ in its recommendations to the Commission; however, she advised that the Commission could invite testimony on the special assistants issue at a hearing on policies governing political activities by City employees. The Commission would conduct this hearing in accordance with the proposed letter to the CGJ.

**Motion 01-09-10-5 (Grant/ Saslafsky): Moved, seconded, and passed: that the draft letter to the Honorable Ronald Quicachay be approved.**

**X. Discussion and possible action re: Nomination and election of Commission Chairperson and Vice-Chairperson to one-year terms ending July 1, 2002.**

Chairperson Kingsley announced that the Mayor's staff had advised the Commission that the Mayor will appoint a new Ethics commissioner prior to the October meeting. Accordingly, the Commission agreed to postpone the election of new officers until the October meeting.

**XI. Discussion and possible action re: Items for future agendas.**

Vice-Chairperson Melbostad observed that some of the initiatives proposed by staff reflect the administration of the Commission's programs rather than new policy initiatives. Ms. Vida explained that she wanted the Commission to be aware that implementation of initiatives already approved by the Commission will consume significant staff time. Vice-Chairperson Melbostad said that he does not want the workload to preclude the Commission from considering new policy initiatives that must be addressed.

Commissioner Melbostad expressed interest in incorporating the recent news stories concerning building permit expediters in a Commission project to develop lists of incompatible activities for City departments. He said that members of the public had already approached members of the Board of Supervisors rather than the Ethics Commission because of the perception that the Ethics Commission took too long to respond to their concerns. He added that he agreed with staff's suggestion that the Commission solicit proposals on incompatible activities from each department. Commissioner Saslafsky suggested that the staff's letter should set a deadline for departments to respond.

In reply to Commission Kingsley's inquiry as to whether there are resources available from the City Attorney's office to assist with the policy initiatives, Mr. Jacobs said that the City Attorney stands ready to provide for the needs of the Commission.

**Motion 01-09-10-6 (Melbostad/Saslafsky): Moved, seconded, and passed: that the Commission request that the City Attorney draft language to implement the proposed amendments to the Campaign Finance Reform Ordinance, per Item No. 6 of the Policy Initiatives Memorandum.**

**Motion 01-09-10-7 (Saslafsky/Melbostad): Moved, seconded, and passed: that the Commission request that the City Attorney draft language to implement the proposed amendments to the Electronic Filing Ordinance, per Item No. 7 of the Policy Initiatives Memorandum.**

**Motion 01-09-10-8 (Melbostad/Grant): Moved, seconded, and passed: that the Commission request that the City Attorney draft language to implement the proposed amendment to the Whistleblower Ordinance, per Item No. 10 of the Policy Initiatives Memorandum.**

Commissioner Grant said that the priorities of drafting this language should be left to the City Attorney, although she has a particular interest in the Whistleblower Ordinance Amendment.

**Motion 01-09-10-9 (Grant/Saslafsky): Moved, seconded, and passed: that the Commission adopt the list of policy priorities as set out in the Policy Initiatives Memorandum, subject to any changes that the Ethics Commission (staff and Commissioners) wishes to make.**

Vice-Chairperson Melbostad asked that the Commission place on its agenda a request that the Budget Analyst of the Board of Supervisors study the Commission's budget in relation to the various mandates the Commission has, in order to have an independent, neutral source determine whether the Commission is appropriately funded. The last such report, in 1995, showed that the Commission was under-funded. It was agreed that this matter would be calendared for the October agenda.

**XII. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission.**

There was no public comment.

**XIII. Adjournment**

Ms. Vida noted that next month's regularly scheduled meeting falls on a holiday. She asked the Commissioners to consider October 10 or 15 as a possible meeting date. (The meeting was subsequently scheduled for October 15 at 5 p.m., Room 421 City Hall.)

The meeting adjourned at 7:03 p.m.

Respectfully submitted,

Joe Lynn
Campaign Finance Officer

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Ethics Commission

30 Van Ness Ave., Suite 3900
San Francisco, CA 94102
Phone 581-2300 Fax 581-2317

# SAN FRANCISCO ETHICS COMMISSION
# NOTICE OF REGULAR MEETING
# AND AGENDA

"See revised Agenda"

**Monday, October 15, 2001, 5:00 P.M.**

**City Hall, 1 Dr. Carlton B. Goodlett Place, Room 421***

***Please note change in room number.**

I. Call to order and roll call

II. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission.

III. (5:10 to 5:30 p.m.) Closed session held pursuant to Charter section C3.699-13, Brown Act section 54956.9(c) and Sunshine Ordinance section 67.11 to discuss pending litigation

Conference with Legal Counsel: Anticipated litigation as plaintiff

Number of possible cases: 2

IV. Discussion and vote pursuant to Brown Act section 54957.1 and Sunshine Ordinance section 67.12 on whether to disclose action taken or discussions held in closed session

Motion: The Charter provides that deliberations regarding complaints are confidential. Pursuant to section C3.699-13, the Ethics Commission finds that it is in the best interests of the public not to disclose its closed session deliberations re: pending litigation.

V. Discussion and possible approval of the minutes of the Ethics Commission meeting of September 10, 2001

VI. Executive Director's report
1. FY 01-02 Budget
2. Implementation of limited public financing program
3. Proposed Ethics-related Charter amendment for March 2002 ballot*
4. Campaign finance reform legislation proposed by Supervisors Peskin and Leno
5. Response to Civil Grand Jury recommendations
6. Advice and opinions
7. Investigation and enforcement program
8. Report on volume of calls received via the Whistleblower Hotline
9. Campaign finance disclosure program
10. On Line Filing System

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11. Campaign finance audit program
12. Lobbyist program
13. Campaign consultant program
14. Statements of Economic Interests
15. Sunshine Declarations
16. Meeting with representatives of the San Diego Ethics Commission

*Copies of the proposed Charter amendment for the March 2002 ballot are available from the Ethics Commission's office at 30 Van Ness Avenue, Suite 3900, San Francisco, CA 94102; or from the Commission's web site at www.sfgov.org/ethics/legislate.htm.

VII. Discussion and possible action re: Whether the Ethics Commission should ask the Controller and/or the Budget Analyst of the Board of Supervisors to study the Commission's budget in relation to the various mandates of the Commission and prepare a report on whether the Commission is appropriately funded.

VIII. Discussion and possible action re: Nomination and election of Commission Chairperson and Vice-Chairperson to one-year terms ending July 1, 2002.

IX. Discussion and possible action re: Proposed amendment to the Electronic Filing Ordinance to require continued electronic filing once the $5,000 annual threshold is reached, and to authorize the Ethics Commission to specify which forms must be filed electronically. Copies of the proposed amendment will be available from the Commission Office and web site on Thursday, October 11.

X. Discussion and possible action re: Items for future agendas.

XI. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission

XII. Adjournment

*Know Your Rights Under the Sunshine Ordinance*

*Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.*

*The ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing devices.*

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Ethics Commission

30 Van Ness Ave., Suite 3900
San Francisco, CA 94102
Phone 581-2300 Fax 581-2317

REVISED 10/12/01 REVISED 10/12/01

# SAN FRANCISCO ETHICS COMMISSION
# NOTICE OF REGULAR MEETING AND AGENDA

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**Monday, October 15, 2001, 5:00 P.M.**

**City Hall, 1 Dr. Carlton B. Goodlett Place, Room 421***

***Please note change in room number.**

I. Call to order and roll call

II. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission.

III. (5:10 to 5:30 p.m.) Closed session held pursuant to Charter section C3.699-13, Brown Act section 54956.9(c) and Sunshine Ordinance section 67.11 to discuss pending litigation

Conference with Legal Counsel: Anticipated litigation as plaintiff

Number of possible cases: 2

IV. Discussion and vote pursuant to Brown Act section 54957.1 and Sunshine Ordinance section 67.12 on whether to disclose action taken or discussions held in closed session

Motion: The Charter provides that deliberations regarding complaints are confidential. Pursuant to section C3.699-13, the Ethics Commission finds that it is in the best interests of the public not to disclose its closed session deliberations re: pending litigation.

V. Discussion and possible approval of the minutes of the Ethics Commission meeting of September 10, 2001

VI. Executive Director's report
1. FY 01-02 Budget
2. Implementation of limited public financing program
3. Proposed Ethics-related Charter amendment for March 2002 ballot*
4. Campaign finance reform legislation proposed by Supervisors Peskin and Leno
5. Response to Civil Grand Jury recommendations
6. Advice and opinions
7. Investigation and enforcement program
8. Report on volume of calls received via the Whistleblower Hotline

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9. Campaign finance disclosure program
10. On Line Filing System
11. Campaign finance audit program
12. Lobbyist program
13. Campaign consultant program
14. Statements of Economic Interests
15. Sunshine Declarations
16. Meeting with representatives of the San Diego Ethics Commission

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VII. Discussion and possible action re: Whether the Ethics Commission should ask the Controller to study the Commission's budget in relation to the various mandates of the Commission and prepare a report on whether the Commission is appropriately funded; and/or whether the Ethics Commission should ask the Board of Supervisors to direct the Budget Analyst to conduct such a study and prepare such a report.

VIII. Discussion and possible action re: Nomination and election of Commission Chairperson and Vice-Chairperson to one-year terms ending July 1, 2002.

IX. Discussion and possible action re: Proposed amendments to the City's electronic filing ordinance. The ordinance currently requires certain political committees to file electronic copies of their semiannual, pre-election, and supplemental pre-election statements (Form 460) with the Ethics Commission. The proposed amendments would require that these committees also file electronic copies of supplemental independent expenditures reports (Form 465) with the Ethics Commission. In addition, the proposed amendments would require that committees that raise or spend $5,000 or more in a calendar year, and are therefore subject to the electronic filing ordinance, continue to file electronic copies of the Forms 460 and 465, regardless of the committee's level of financial activity in subsequent calendar years, until the committee files a statement of termination. The proposed amendments would also delete redundant definitions. Copies of the proposed ordinance will be available from the Commission office and web site on Thursday, October 11.

X. Discussion and possible action re: Items for future agendas.

XI. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission

XII. Adjournment

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Approved – 11/19/01

**Minutes of the**
**San Francisco Ethics Commission**
**City Hall, One Dr. Carlton B. Goodlett Place, Room 421**
**October 15, 2001 5:30 p.m.**

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**I. Call to order and roll call**

Chairperson Carol M. Kingsley called the meeting to order at 5:35 p.m. She welcomed Commissioner David Serrano Sewell, who was appointed by the Mayor and sworn in on October 2, 2001. She asked Commissioner Serrano Sewell to say a few words.

Commissioner Serrano Sewell stated that he is a third year law student at Golden Gate University. He noted that he has had experience in some of the areas that are regulated by the Ethics Commission. Commissioner Serrano Sewell served as treasurer of a San Francisco political campaign. He noted that he has had the opportunity to meet staff and praised the Commission for the service that it offers to the public. He said he would like to encourage the Commission to expand its educational services.

Commissioners Paul H. Melbostad, Sharyn Saslafsky and Isabella H. Grant welcomed Commissioner Serrano Sewell. Commissioner Melbostad expressed his appreciation of Commissioner Serrano Sewell's experience in campaign finance and related fields.

**COMMITTEE MEMBERS PRESENT:** Carol M. Kingsley, Chairperson; Paul H. Melbostad, Vice-Chairperson; Isabella H. Grant, Commissioner; Sharyn Saslafsky, Commissioner; and David Mario Serrano Sewell, Commissioner.

**STAFF PRESENT:** Ginny Vida, Executive Director; Mabel Ng, Deputy Executive Director; and Shaista Shaikh, Campaign Finance Auditor.

**Materials Distributed:**

Agenda for October 15, 2001, Regular Meeting
Draft Minutes for the September 10, 2001, Meeting
Approved Minutes for the August 13, 2001, Meeting
Executive Director's Report for the Meeting of October 15, 2001
Memorandum to Members of the San Francisco Ethics Commission from Ginny Vida dated October 11, 2001, re Proposed Amendment to the San Francisco Electronic Filing Ordinance

**II. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission.**

Jim Reid expressed frustration with the campaign finance filings that are required of candidates running for office. Mr. Reid stated that the paperwork is overwhelming and is a deterrent for non-incumbent candidates and candidates with low financial activity. He noted that with respect to his 1998 candidacy, he raised $1,700; however, the Ethics Commission fined him more than

$1,700 in late fines. He also stated that staff has not assisted him in completing the required forms; instead, staff has handed to him a stack of papers to read and complete, which he has been unable to accomplish because of a reading disability.

Executive Director Ginny Vida noted that Campaign Finance Officer Joe Lynn meets with candidates and treasurers individually to assist them with their filing obligations. Mr. Reid stated that he has met with Mr. Lynn a few times; however, Mr. Lynn does not complete his paperwork. Ms. Vida stated that the Commission staff instructs filers on how to file but does not have responsibility for filling out candidates' forms for them. She said that under the law, candidates and treasurers have the responsibility to learn what their obligations are and to comply with financial disclosure requirements, including completing and verifying campaign finance forms. She said that Chairperson Kingsley noted that Mr. Reid's problem is unique and suggested that he contact staff for assistance. Ms. Vida asked Mr. Reid to call her to arrange an appointment to meet with staff.

Commissioner Melbostad stated that in general he has received positive comments regarding staff's assistance to the public. He noted that a member of the public once suggested to him that the Commission should solicit comments from the public regarding their practical experiences with the Commission and their views on how to improve the services offered by the Commission.

**III.-IV.** The closed session was cancelled.

**V. Discussion and possible approval of the minutes of the Ethics Commission meeting of August 13, 2001.**

**Motion 01-10-15-1 (Saslafsky/Grant): Moved, seconded, and passed: that the minutes of the Ethics Commission meeting of September 10, 2001 be adopted as drafted.**

**VI. Executive Director's report**

Ms. Vida referred the Commission to her written report. With respect to the FY 01-02 budget, she informed the Commission that on October 24, the Finance Committee will consider whether the Commission may use a portion of the Board's $100,000 add-back to fund a temporary assistant legal analyst position. She reported that on October 23 or 25, the Rules Committee will discuss the ethics-related Charter amendment regarding the Commission's ability to place arguments in the voter handbook for ethics-related measures.

Ms. Vida welcomed Commissioner Serrano Sewell.

**VII. Discussion and possible action re: Whether the Ethics Commission should ask the Controller to study the Commission's budget in relation to the various mandates of the Commission and prepare a report on whether the Commission is appropriately funded; and/or whether the Ethics Commission should ask the Board of Supervisors to direct the Budget Analyst to conduct such a study and prepare such a report.**

Commissioner Melbostad reported that when the Ethics Commission was established and certain duties were transferred to the Commission from other departments, the Budget Analyst prepared a report that indicated that the Commission was under-funded. Commissioner Melbostad stated

that recently, Supervisor Peskin had intended to propose a motion at the Board to ask the Budget Analyst to conduct an audit to determine whether the Commission is sufficiently funded with respect to its mandates. However, the Budget Analyst had reported that he is very busy with other projects and had therefore suggested that the Controller's Office perform such a study and prepare a report. Ms. Vida advised that she had communicated with both the Budget Analyst and the Controller, and that currently only the Controller has the resources to perform this service.

**Motion 01-10-15-2 (Melbostad/Saslafsky): Moved, seconded, and passed: that the Commission ask the Controller to study the Commission's budget in relation to its various mandates and to prepare a report on whether the Commission is appropriately funded.**

**VIII. Discussion and possible action re: Nomination and election of Commission Chairperson and Vice-Chairperson to one-year terms ending July 1, 2002.**

Chairperson Kingsley explained that the Commission had delayed its election of officers from an earlier date in order to permit the newest member to participate.

**Motion 01-10-15-3 (Grant/Melbostad) Moved, seconded and passed: That Commissioner Carol M. Kingsley be appointed to a one-year term as Chairperson of the San Francisco Ethics Commission.**

**Motion 01-10-15-4 (Saslafsky/Serrano Sewell) Moved, seconded and passed: That Commissioner Paul H. Melbostad be appointed to a one-year term as Vice-Chairperson of the San Francisco Ethics Commission.**

**IX. Discussion and possible action re: Proposed amendments to the City's electronic filing ordinance. The ordinance currently requires certain political committees to file electronic copies of their semiannual, pre-election, and supplemental pre-election statements (Form 460) with the Ethics Commission. The proposed amendments would require that these committees also file electronic copies of supplemental independent expenditures reports (Form 465) with the Ethics Commission. In addition, the proposed amendments would require that committees that raise or spend $5,000 or more in a calendar year, and are therefore subject to the electronic filing ordinance, continue to file electronic copies of the Forms 460 and 465, regardless of the committee's level of financial activity in subsequent calendar years, until the committee files a statement of termination. The proposed amendments would also delete redundant definitions.**

Chairperson Kingsley explained that the electronic filing ordinance currently requires certain political committees to file electronic copies of their semi-annual and pre-election statements (Form 460) with the Ethics Commission. She noted that the proposed amendments would require that such committees also file electronic copies of Supplemental Independent Expenditure Reports (Form 465) with the Ethics Commission. In addition, the proposed amendments would require that committees that raise or spend $5,000 or more in a calendar year, and are therefore subject to the electronic filing ordinance, continue to file electronic copies of the Forms 460 and 465, regardless of the committee's level of financial activity in subsequent calendar years, until the committee files a statement of termination. The proposed amendments

would also delete redundant definitions. Chairperson Kingsley asked Ms. Vida to summarize the need for broadening the electronic filing requirements.

Ms. Vida explained that broadening the electronic filing requirements and requiring continuous electronic filing will improve the Commission's efficiency by saving staff hours currently devoted to keying in data by hand and combing through paper files to determine whether a committee was required to submit an electronic file. Ms. Vida added that continuous electronic filing will expedite transfer of campaign data to the web site for access by the public.

Ms. Vida noted that the FPPC has proposed a new form (Form 511), which the draft legislation would not cover. She stated that she requested that Deputy City Attorney Julie amend the draft legislation to allow for coverage of such additional forms. Ms. Vida recommended that the Commission consider the revised legislation at its next meeting.

Mr. Reid expressed concern about campaigns that do not have access to computers for printing and inquired whether the Commission allows the public to use its computers. Ms. Vida confirmed that the Commission provides a computer in its public file room for use by members of the public for electronic filing and printing of campaign finance forms.

**X. Discussion and possible action re: Items for future agendas.**

Mr. Reid asked the Commission to consider legislation providing that candidates who agree to limit spending in the general election must also limit spending in the run-off election, regardless of whether spending limits are lifted. Mr. Reid also requested that the Commission extend its public financing program to include candidates for Mayor.

Deputy Executive Director Mabel Ng reported that the Commission has received from the Board a number of Charter amendments, which will be considered by the Rules Committee on October 23 and 25. Ms. Ng stated that Supervisor Daly has recommended the creation of a new office, that of Public Advocate. She informed the Commission that Supervisor Daly's proposal may impact the Ethics Commission and that the jurisdiction of the office of Public Advocate may overlap with jurisdiction of the Commission. She suggested that the Commission may wish to convene prior to the above-referenced dates to consider the proposal or direct staff to provide informal comments to Supervisor Daly regarding the proposal.

Commissioner Melbostad stated that Supervisor Daly's proposal was not directed at the Ethics Commission and that it would be appropriate for staff to indicate whether the proposed Public Advocate overlaps with the jurisdiction of the Commission. The Commission agreed to direct staff to provide informal comments regarding Supervisor Daly's proposal.

**XI. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission.**

There was no public comment.

**XII. Adjournment**

Chairperson Kingsley announced that the next regular meeting of the Ethics Commission will be held on Tuesday, November 13, at 5 p.m..

The meeting was adjourned at 6:17 p.m.

Respectfully submitted,

Shaista Shaikh

Shaista Shaikh
Campaign Finance Auditor

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Ethics Commission

30 Van Ness Ave., Suite 3900
San Francisco, CA 94102
Phone 581-2300 Fax 581-2317

# SAN FRANCISCO ETHICS COMMISSION
# NOTICE OF REGULAR MEETING
# AND AGENDA

**Tuesday, November 19, 2001, 5:00 P.M.**

**City Hall, 1 Dr. Carlton B. Goodlett Place, Room 421***

***Please note change in room number.**

I. **Call to order and roll call**

II. **Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission.**

III. **Discussion and possible approval of the minutes of the Ethics Commission meeting of October 15, 2001**

IV. **Executive Director's report**
1. **FY 01-02 Budget**
2. **Implementation of limited public financing program**
3. **Request for Controller's review of Commission mandates/budgetary needs**
4. **Proposed Ethics-related Charter amendment for March 2002 ballot**
5. **Campaign finance reform legislation proposed by Supervisor Leno**
6. **Follow-up on Civil Grand Jury recommendations**
7. **Advice and opinions**
8. **Investigation and enforcement program**
9. **Report on volume of calls received via the Whistleblower Hotline**
10. **Campaign finance disclosure program**
11. **On Line Filing System**
12. **Campaign finance audit program**
13. **Lobbyist program**
14. **Campaign consultant program**
15. **Statements of Economic Interests**
16. **Sunshine Declarations**
17. **Preparation of FY 00-01 Annual Report**

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V. **Discussion and possible action re: Proposed amendments to the City's electronic filing ordinance. The ordinance currently requires certain political committees to file electronic copies of their semiannual, pre-election, and supplemental pre-election statements (Form 460) with the Ethics Commission. The proposed amendments would require that these committees also file electronic copies of supplemental independent expenditure reports (Form 465) with the Ethics Commission. In addition, the proposed amendments would**

authorize the Commission to require political committees to file electronic copies of any other campaign disclosure statements with the Commission. A committee that raises or spends $5,000 or more in a calendar year, and is therefore subject to the electronic filing ordinance, would be required to continue filing its campaign forms electronically, regardless of its level of financial activity in subsequent calendar years, until it files a statement of termination. The proposed amendments would also delete redundant definitions. Copies of the proposed ordinance will be available from the Commission office and web site on Thursday, November 15 (sfgov.org/ethics/legislate/htm).

VI. Discussion and possible action re: Amending the SF Campaign and Governmental Conduct Code to require that candidates who pay for mass mailings file an itemized disclosure statement with the Ethics Commission within 5 days of the date of the mailing, instead of 2 days as currently required. Copies of the draft legislation will be available from the Commission office and web site on Thursday, November 15.

VII. Discussion and possible action re: Amending the San Francisco Campaign and Governmental Code to provide protection to whistleblowers who file a written complaint regarding the conduct of a City officer or employee with a public body; define the term public body; provide examples of complaints that individuals may file; and clarify that protections for whistleblowers apply only when the whistleblower is subject to an adverse employment action. Draft legislation and a staff report will be available from the Commission office and web site on Thursday, November 15.

VIII. Discussion and possible action re: Approval of proposed Annual Report for FY 2000-2001. Copies of the draft Annual Report will be available from the Commission office and web site on Thursday, November 15.

IX. Discussion and possible action re: Items for future agendas.

X. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission

XI. Closed session held pursuant to Charter section C3.699-13, Brown Act section 54956.9(c) and Sunshine Ordinance section 67.11 to discuss pending litigation

Conference with Legal Counsel: Anticipated litigation as plaintiff

Number of possible cases: 5

XII. Discussion and vote pursuant to Brown Act section 54957.1 and Sunshine Ordinance section 67.12 on whether to disclose action taken or discussions held in closed session

Motion: The Charter provides that deliberations regarding complaints are confidential. Pursuant to section C3.699-13, the Ethics Commission finds that it is in the best interests of the public not to disclose its closed session deliberations re: pending litigation.

XIII. Adjournment

*Know Your Rights Under the Sunshine Ordinance*

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City & County of San Francisco

# Ethics Commission

Approved 12/17/01

**Minutes of the**
**San Francisco Ethics Commission**
**City Hall, One Dr. Carlton B. Goodlett Place, Room 421**
**November 19, 2001 5:00 p.m.**

**I. Call to order and roll call**

Chairperson Carol M. Kingsley called the meeting to order at 5:05 p.m.

**COMMISSION MEMBERS PRESENT:** Carol M. Kingsley, Chairperson; Paul H. Melbostad, Vice-Chairperson; Isabella H. Grant, Commissioner; Sharyn Saslafsky, Commissioner; David Serrano Sewell, Commissioner.

**STAFF PRESENT:** Ginny Vida, Executive Director; Mabel Ng, Deputy Executive Director; Katherine Havener, Ethics Investigator/Legal Analyst.

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Agenda for November 19, 2001 Meeting

Draft Minutes for the October 15, 2001 Meeting

Approved Minutes for the September 10, 2001 Meeting

Executive Director's Report for the Meeting of November 19, 2001

Memorandum to Members of the SF Ethics Commission from Ginny Vida, dated November 15, 2001 re: Proposed Amendment to the San Francisco Electronic Filing Ordinace

Memorandum to Members of the SF Ethics Commission from Ginny Vida, dated November 15, 2001 re: Technical Amendment to Ordinance on Mass Mailings

Draft Notice of Public Hearing on "Political Activities of City Employees"

Draft Annual Report: July 1, 2000 - June 30, 2001

**II. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission.**

There was no public comment.

**III. Discussion and possible approval of the minutes of the Ethics Commission meeting of October 15, 2001.**

**Motion 01-11-19-1 (Serrano Sewell/Grant): Moved, seconded, and unanimously passed: that the minutes of the Ethics Commission meeting of October 15, 2001 be adopted as drafted.**

**IV. Executive Director's Report**

Ms. Vida referred the Commission to her written report. With respect to the FY 01-02 budget, she stated that the Mayor's Office had instructed her to identify $29,000 in cuts to the current budget. She stated that this funding might be restored if the Commission's revenues exceed projections. She stated that the Commission was well on its way to exceeding projections because less than half the fiscal year has passed, and the Commission is already halfway to meeting its projections.

Ms. Vida reported that the Rules Committee had tabled the Commission's proposed Charter amendment to permit the Commission to submit ballot arguments regarding ballot measures that affect the Commission's structure, authority or jurisdiction, or that are placed on the ballot by the Commission itself. The Commission had requested that the Board place the amendment on the March 2002 ballot. Ms. Vida stated that there was some discussion about reconsideration of the amendment, depending on whether Proposition E is approved and there is a new Ethics Commission in place.

Ms. Vida referred the Commission to the draft notice of the Commission's December 17 hearing on "Political Activities of City Employees." She stated that she had also provided the draft notice to the 2000 Civil Grand Jury foreperson for comment. She welcomed the Commissioners' suggestions.

Ms. Vida advised that several letters assessing late filing fines had erroneously been sent to filers who had filed campaign disclosure reports in a timely manner. She stated that procedures have been implemented to prevent these missteps in the future.

Commissioner Saslafsky asked Ms. Vida to discuss the FPPC's advice that the Ethics Commission is now the filing officer for all candidates for county central committees. Ms. Vida stated that there could be dozens of candidates for these seats, and that a great deal of additional staff time will be required to process these additional disclosure reports. She stated that staff is gathering information as to the additional resources needed. She noted that the Controller has assured her that his office will audit the Commission's resources in relation to its mandates prior to the time that the Commission has to submit its FY 02-03 budget, so that the findings can be reflected in the Commission's budget request for FY 02-03.

Commissioner Kingsley noted that the voters had approved Proposition E earlier this month. She advised that the City Attorney's office will provide the Commission a memo by the next meeting, summarizing the impact of the measure on commissioners and staff.

Commissioner Kingsley announced the settlement of Complaint Number 14-000802 with the San Francisco Taxi Association regarding violation of the San Francisco Lobbyist Ordinance. In return for settlement of the complaint, the Association agreed to pay a fine of $4,000, to register as a lobbyist, and to file all applicable disclosure reports.

**V. Discussion and possible action re: Proposed amendments to the City's electronic filing ordinance.**

Deputy Executive Director Mabel Ng reviewed the electronic filing proposal. She explained that the electronic filing ordinance currently requires political committees that raise or spend $5,000 or more in a calendar year to file electronic copies of their semiannual, pre-election, and supplemental pre-election statements (Form 460) with the Ethics Commission. The proposed amendments would require that these committees also file electronic copies of supplemental independent expenditure reports (Form 465) with the Commission. In addition, the proposed amendments would authorize the Commission to require political committees to file electronic copies of any other campaign disclosure statements required by the Fair Political Practices Commission with the Ethics Commission. Under the proposal, a committee that is subject to the electronic filing ordinance would be required to continue filing its campaign forms electronically, regardless of its level of financial activity in subsequent calendar years, until it files a statement of termination. The proposed amendments would also delete redundant definitions.

**Motion 01-11-19-2 (Saslafsky/Grant): Moved, seconded, and unanimously passed: that the proposed amendments to the City's electronic filing ordinance be approved.**

**VI. Discussion and possible action re: Amending the SF Campaign and Governmental Conduct Code to require that candidates who pay for mass mailings file an itemized disclosure statement with the Ethics Commission within 5 days of the date of the mailing, instead of 2 days as currently required.**

The Commission discussed whether five days is a sufficient amount of time for candidates to provide the Commission with accurate itemized disclosure statements detailing the costs of their mass mailings. Commissioners expressed their concern that candidates may not be able to make accurate disclosures within five days because they may not receive invoices from vendors within that time period. The Commission discussed whether it should recommend to the Board of Supervisors a range of time, e.g., 5 to 14 days, that the Commission believed would be sufficient for candidates to obtain accurate information. Ms. Ng suggested that the Commission retain the five-day deadline presumably intended by the Board of Supervisors, but that the Commission could design the disclosure form so as to require amendments if the report contains inaccurate or incomplete information.

**Motion 01-11-19-3 (Melbostad/Serrano Sewell): Moved, seconded, and unanimously passed: that the Commission recommend to the Board of Supervisors that the S.F. Campaign and Governmental Conduct Code be amended to require that candidates who pay for mass mailings file an itemized disclosure statement with the Ethics Commission within 5 days of the date of the mailing, instead of 2 days as currently required; and further, that the disclosure forms created by the Commission in accordance with this provision require candidates to amend incomplete or inaccurate information.**

**VII. Discussion and possible action re: Amending the San Francisco Campaign and Governmental Code to provide protection to whistleblowers who file a written complaint regarding the conduct of a City officer or employee with a public body; define the term public body; provide examples of complaints that individuals may file; and clarify that protections for whistleblowers apply only when the whistleblower is subject to an adverse employment action.**

The Commission agreed to continue this item to the December meeting.

**VIII. Discussion and possible action re: Approval of proposed Annual Report for FY 2000-2001.**

The Commission commended the staff on the excellent quality of the annual report. Commissioners Kingsley and Saslafsky suggested that the "highlights" section of the report be elaborated upon to reflect

the Commission's accomplishments. Specifically, they stated that the highlights should include: 1) the licensing of the Commission's award-winning electronic filing system to the City of Sacramento; 2) any other data to show the work that the Commission performed.

**Motion 01-11-19-4 (Saslafsky/Serrano Sewell): Moved, seconded, and unanimously passed: that the draft annual report be approved subject to the suggestions outlined above.**

**IX. Discussion and possible action re: Items for future agendas.**

Commissioner Kingsley noted that with the passage of Proposition E, the current commissioners had only two more meetings before their terms of office were over. She noted that the public hearing on political activity by City employees and the amendments to the Whistleblower Ordinance would likely take up the remainder of the Commission's time.

The Commission then discussed providing a welcoming memorandum to the new Ethics Commissioners that would contain: 1) a discussion of the items the Commission is currently working on; 2) the policy priorities the Commission had identified, including the identification of incompatible activities for each City department; and 3) recommendations for the new Commission on items that need to be addressed. The Commission asked the staff to draft the memo for the December meeting.

**Motion 01-11-19-4 (Saslafsky/Grant): Moved, seconded, and unanimously passed: that the Commission provide a welcoming memo to the new Ethics Commission that: 1) discusses items currently being worked on by the Ethics Commission; 2) lists the Commission's policy priorities, including the creation of a list of incompatible activities for city departments; and 3) contains recommendations for the new Commission on items that need to be addressed.**

**X. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission.**

There was no public comment.

**XI and XII.** Items XI and XII were cancelled. No closed session was held.

**XIII. Adjournment**

Commissioner Kingsley announced that the next Commission meeting is scheduled for **Monday, December 17 at 6:00 p.m. in Room 406.**

The meeting was adjourned at 6:00 p.m.

Respectfully submitted,

_____
Katherine C. Havener
Ethics Investigator/Legal Analyst

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Ethics Commission

30 Van Ness Ave., Suite 3900
San Francisco, CA 94102
Phone 581-2300 Fax 581-2317

# SAN FRANCISCO ETHICS COMMISSION
# NOTICE OF REGULAR MEETING
# AND AGENDA

"See amended agenda"

## Monday, December 17, 2001, 6:00 P.M.*

## City Hall, 1 Dr. Carlton B. Goodlett Place, Room 408*

*Please note change in time and room number.

I. Call to order and roll call.

II. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission.

III. Discussion and possible approval of the minutes of the Ethics Commission meeting of November 19, 2001.

IV. Executive Director's report
1. Budget: FY 02 and FY 03
2. Implementation of limited public financing program
3. Request for Controller's review of Commission mandates/budgetary needs
4. Legislative developments
5. Preparation for Hearing on Political Activities of City Employees
6. Advice and opinions
7. Investigation and enforcement program
8. Report on volume of calls received via the Whistleblower Hotline
9. Campaign finance disclosure program
10. On Line Filing System
11. Campaign finance audit program
12. Lobbyist program
13. Campaign consultant program
14. Statements of Economic Interests
15. Sunshine Declarations
16. Publication of FY 00-01 Annual Report

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V. Public Hearing on the Political Activities of City Employees. The Commission is conducting this hearing in response to recommendations received from the 2000 Civil Grand Jury in its Report on Special Assistants. The Commission invites testimony, based on the witnesses' personal experience or personal knowledge, regarding whether there is improper political influence in the workplace, whether City employees have been coerced to participate in political activities, whether City resources have been used for political purposes, and whether City employees have been discriminated against because of their

political activities. The Commission also invites comment on what provisions should be included in City laws and policies governing the political activities of City employees. Copies of the hearing notice are available from the Ethics Commission office and web site. Copies of the Civil Grand Jury's Report on Special Assistants and the City Attorney's memorandum on existing City laws and policies concerning political activities of City employees are available from the Commission office.

VI. Discussion and possible action re: Amending the San Francisco Campaign and Governmental Code to provide protection to whistleblowers who file a written complaint with any City body regarding improper governmental activity by a City officer or employee; provide a list of the types of complaints of improper governmental activity; and clarify protections for whistleblowers. Draft legislation and a staff report will be available from the Commission office and web site on Friday, December 14.

VII. Discussion and possible action re: The Mayor's instructions to absorb 5.5 percent of personnel costs in departmental FY 2002-2003 budgets, and to identify a possible additional budget reduction of 10 percent. Due to a $175 million projected shortfall for FY 2002-2003, City departments have been instructed to identify significant cost savings for the next fiscal year.

VIII. Discussion and possible action re: Approval of revised form for conducting the annual performance evaluation of the executive director.

IX. Discussion and possible action re: Items for future agendas. A revised List of Commission Initiatives will be available on Thursday, December 13.

X. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission.

XI. Closed session held pursuant to Charter section C3.699-13, Brown Act section 54956.9(c) and Sunshine Ordinance section 67.11 to discuss pending litigation.

Conference with Legal Counsel: Anticipated litigation as plaintiff

Number of possible cases: 1

XII. Discussion and vote pursuant to Brown Act section 54957.1 and Sunshine Ordinance section 67.12 on whether to disclose action taken or discussions held in closed session.

Motion: The Charter provides that deliberations regarding complaints are confidential. Pursuant to section C3.699-13, the Ethics Commission finds that it is in the best interests of the public not to disclose its closed session deliberations re: pending litigation.

XIII. Adjournment.

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Ethics Commission

30 Van Ness Ave., Suite 3900
San Francisco, CA 94102
Phone 581-2300 Fax 581-2317

Amended 12/13/2001

# SAN FRANCISCO ETHICS COMMISSION
# NOTICE OF REGULAR MEETING
# AND AMENDED AGENDA

**Monday, December 17, 2001, 6:00 P.M.***

**City Hall, 1 Dr. Carlton B. Goodlett Place, Room 408***

***Please note change in time and room number.**

I. Call to order and roll call.

II. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission.

III. Discussion and possible approval of the minutes of the Ethics Commission meeting of November 19, 2001.

IV. Executive Director's report
1. Budget: FY 02 and FY 03
2. Implementation of limited public financing program
3. Request for Controller's review of Commission mandates/budgetary needs
4. Legislative developments
5. Preparation for Hearing on Political Activities of City Employees
6. Advice and opinions
7. Investigation and enforcement program
8. Report on volume of calls received via the Whistleblower Hotline
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12. Lobbyist program
13. Campaign consultant program
14. Statements of Economic Interests
15. Sunshine Declarations
16. Publication of FY 00-01 Annual Report

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V. Public Hearing on the Political Activities of City Employees. The Commission is conducting this hearing in response to recommendations received from the 2000 Civil Grand Jury in its Report on Special Assistants. The Commission invites testimony, based on the witnesses' personal experience or personal knowledge, regarding whether there is improper political influence in the workplace, whether City employees have been coerced

to participate in political activities, whether City resources have been used for political purposes, and whether City employees have been discriminated against because of their political activities. The Commission also invites comment on what provisions should be included in City laws and policies governing the political activities of City employees. Copies of the hearing notice are available from the Ethics Commission office and web site. Copies of the Civil Grand Jury's Report on Special Assistants and the City Attorney's memorandum on existing City laws and policies concerning political activities of City employees are available from the Commission office.

VI. Discussion and possible action re: Amending the San Francisco Campaign and Governmental Conduct Code to provide protection to whistleblowers who file a written complaint with their departments regarding improper governmental activity by a City officer or employee; provide a list of the types of complaints of improper governmental activity; and clarify protections for whistleblowers. Draft legislation and a staff report will be available from the Commission office and web site on Friday, December 14.

VII. Discussion and possible action re: Ethics-related provisions of Proposition E. Proposition E affects the current composition of the Ethics commission, adds several conflicts of interest provisions to the Charter that affect the activities of both members and staff of the Commission; establishes post-service restrictions for members and management-level employees; and makes other changes that will affect the Commission.

VIII. Discussion and possible action re: The Mayor's instructions to absorb 5.5 percent of personnel costs in departmental FY 2002-2003 budgets, and to identify a possible additional budget reduction of 10 percent. Due to a $175 million projected shortfall for FY 2002-2003, City departments have been instructed to identify significant cost savings for the next fiscal year.

IX. Discussion and possible action re: Approval of revised form for conducting the annual performance evaluation of the executive director.

X. Discussion and possible action re: Items for future agendas. A revised List of Commission Initiatives will be available on Thursday, December 13.

XI. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission.

XII. Closed session held pursuant to Charter section C3.699-13, Brown Act section 54956.9(c) and Sunshine Ordinance section 67.11 to discuss pending litigation.

Conference with Legal Counsel: Anticipated litigation as plaintiff

Number of possible cases: 1

XIII. Discussion and vote pursuant to Brown Act section 54957.1 and Sunshine Ordinance section 67.12 on whether to disclose action taken or discussions held in closed session.

Motion: The Charter provides that deliberations regarding complaints are confidential. Pursuant to section C3.699-13, the Ethics Commission finds that it is in the best interests of the public not to disclose its closed session deliberations re: pending litigation.

XIV. Adjournment.

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## Ethics Commission

**December 17, 2001**

Minutes of the
San Francisco Ethics Commission

City Hall, One Dr. Carlton B. Goodlett Place, Room 408

December 17, 2001, 6:00 p.m.

**I. Call to order and roll call**

Chairperson Carol M. Kingsley called the meeting to order at 6:03 p.m.

**COMMISSION MEMBERS PRESENT:** Carol M. Kingsley, Chairperson; Paul H. Melbostad, Vice-Chairperson; Isabella H. Grant, Commissioner; Sharyn Saslafsky, Commissioner; David Serrano Sewell, Commissioner.

**STAFF PRESENT:** Ginny Vida, Executive Director; Mabel Ng, Deputy Executive Director; Katherine Havener, Ethics Investigator/Legal Analyst; Frank M. Lester, Campaign Finance Assistant.

**MATERIALS DISTRIBUTED:**

Agenda for the December 17, 2001 Meeting

Draft Minutes of the November 19, 2001 Meeting

Approved Minutes of the October 15, 2001 Meeting

Executive Director's Report for the Meeting of December 17, 2001

Notice to City Officers, Department Heads, and Interested Persons from Ginny Vida, dated November 26, 2001, re: Public Hearing on "Political Activities of City Employees," December 17, 2001

Memorandum to Members of the SF Ethics Commission from Ginny Vida, dated December 13, 2001, re: Agenda Item VIII: Budget

Memorandum to Members of the SF Ethics Commission from Ginny Vida, dated December 13, 2001, re: Policy Initiatives - status report

Memorandum to Members of the SF Ethics Commission from Ginny Vida, dated December 13, 2001, re: Enclosed Draft Performance Evaluation Form

Memorandum to Members of the SF Ethics Commission from Ginny Vida, dated December 14, 2001, re: Preliminary Assessment of FY 03 Budget Cuts

Memorandum to Members of the SF Ethics Commission from Ginny Vida, dated December 14, 2001, re: Whistleblower Amendments

**II. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission.**

There was no public comment.

**III. Discussion and possible approval of the minutes of the Ethics Commission meeting of November 19, 2001.**

**Motion 01-12-17-1 (Grant/Saslafsky): Moved, seconded, and unanimously passed: that the minutes of the Ethics Commission meeting of November 19, 2001 be adopted as drafted.**

**IV. Executive Director's Report**

Ms. Vida referred the Commission to her written report. She also mentioned that two jurisdictions, including Santa Clara County and the City of San Diego, have expressed interest in licensing the Commission's On Line Filing System software. She added that she and Joe Lynn, Campaign Finance Officer, met with three representatives from Santa Clara County on December 17 and that Mr. Lynn gave the representatives a successful demonstration of the software.

**V. Public Hearing on the Political Activities of City Employees.**

**Alan Nicholson**, Chairperson of the 2000-2001 San Francisco Civil Grand Jury (CGJ), spoke about the process the CGJ undertook in preparing its report and arriving at its conclusions. Nineteen citizens were appointed and investigated the issues covered in the report, including the roles and political activities of special assistants and other City employees, over the course of a year. The CGJ considered testimony from 13 special assistants and interviewed the Director of the Department of Human Resources (DHR), Andrea Gourdine, and the Executive Director of the Civil Service Commission (CSC), Kate Favetti. The CGJ also received written responses from these departments in response to its inquiries about special assistants.

Mr. Nicholson said that there is a fine line between work hours used for legitimate and authorized political activity and coerced or unauthorized political activity. He emphasized that many special assistants are highly qualified individuals who are doing exceptional work for the City and that none of the CGJ's recommendations advised eliminating the special assistant program.

Some of the issues that the CGJ considered in evaluating the efficacy of the special assistant program included (1) whether performance reviews are regularly conducted for special assistants and, if so, what oversight procedures are in place for conducting these reviews, and whether documentation of the evaluations is consistently available in the employees' personnel files or in another centralized location, or, if not, why not; (2) whether in the application process for special assistant positions proper and competitive public notice is provided on the availability of and the criteria for filling vacant openings; (3) whether promotions are regularly and fairly given, and on what basis promotions were given; and (4) whether special assistants are asked to engage in political activity for elected officials on City time in exchange for employment, retention, or promotion.

Lisa Feldstein, speaking on behalf of International Federation of Technical and Professional Engineers Local 21, said that she worked for five years as a special assistant in the Mayor's Office on Housing and encountered coercion to engage in political activity during work hours on more than one occasion during her time in the position. She cited some examples of this alleged pressure and said that Local 21 believes that it is imperative that staff be protected from such coercion. At the same time, Feldstein said that Local 21 believes that it is equally important that no restrictions be placed on employees' right to work on political activity on their own time and in their capacity as private citizens.

Mike Mooney, a local coordinator for Common Cause, thanked the Ethics Commission for holding the hearing. He said that an individual had come to him during the past year and told him on the condition of anonymity that she had been asked to work on the mayor's re-election campaign. She was unhappy about the imposition but did what she was told to keep her job. Mooney said that he is not sure what could be done to offer more protection to City employees in this area, but he added that he believes that the Whistleblower program should be better publicized.

Starchild, a community activist and Libertarian County Committee candidate, offered no comment about the topic of the hearing but suggested that future hearings could be better publicized.

Robert Karp, a CGJ panelist, said that he believed that the word "whistleblower" has a "certain connotation" to it and wondered if another word could be better used to describe the program that would encourage more public input.

Harris Goodman, a CGJ panelist, said that the CGJ was not condemning the special assistant program, but he added that there is a "disconnect" in that special assistants are hired without a mandatory review process in place. He said that the CGJ was troubled over the fact that when the issue of review is raised, DHR and CSC appear to disavow responsibility for the matter. Mr. Goodman said that he saw evidence that employees are pressured to campaign for candidates and engage in other inappropriate political activity on the job. He said that the CGJ is asking the Ethics Commission to propose systems and procedures to short-circuit inappropriate activity in the future. He called for closer oversight over what special assistants do on the job and how they transfer into other positions. He urged the Ethics Commission to promulgate changes in the law and City regulations to effect this change.

Jack Mona, a CGJ panelist, said that he felt that some of the special assistants that the CGJ contacted were arrogant in responding to the CGJ's informal inquiries. He said that one example that stood out was that of a special assistant who refused to testify and had to be forced by subpoena to do so.

Kate Favetti, the Executive Officer of the CSC, spoke about the importance of allowing City employees to participate in political the process as long that participation is not on City time. She also talked briefly about the history of the special assistant program, which was created in 1993 to deal with a myriad of policy-making and legislative positions that were not covered under existing civil service classifications. She noted that most of the special assistant positions are exempt, at-will positions. She said that appointing officers who do not perform regular evaluations of persons holding special assistant positions are held accountable. She added that the great majority of people who fill these slots are hard-working and dedicated individuals who have brought quality work product to the City.

Vice-Chairperson Paul Melbostad questioned Mr. Nicholson and Ms. Feldstein about aspects of the CGJ report. He asked Mr. Nicholson whether the CGJ Report's emphasis on the status of special assistants post-hire was misplaced, given his understanding

that the CGJ's goal was to look at the fairness of the hiring process itself. Mr. Nicholson said that the CGJ did consider hiring practices in its report, but that the hiring process itself was not germane to the CGJ's conclusions, because as long as a position is properly posted and people are given a chance to apply and compete for it, the decision of whom ultimately to hire rests with the employing body or entity.

Vice-Chairperson Melbostad asked Mr. Nicholson what percentage of special assistants fit the stereotype of having been hired on the basis of political favoritism. Mr. Nicholson said that there is no way to answer this question based on percentages, since the CGJ only looked at a small percentage of special assistants in City employment. He said that by and large, the CGJ was impressed with the quality level of the special assistants it encountered, though he also believes that department heads tend to "put their best foot forward" and present their best people in response to CGJ inquiries. He added that a number of special assistants did not want to talk to the CGJ at all for fear that they would lose their jobs if they did.

Vice-Chairperson Melbostad asked Ms. Feldstein whether she thought that there were any proposals in the CGJ Report that would accomplish the goals that she set out in her public remarks. She said that since special assistants are at-will employees, they do not have the same protections afforded most City employees, and they do not have to be given a reason for termination. Thus, she said, she is not sure what action short of giving civil service protections to special assistants would improve their situation.

Vice-Chairperson Melbostad asked Ms. Favetti whether the CSC ever takes action when special assistants claim that they are terminated because they refused to engage in political activity during work hours. Ms. Favetti said that that issue is outside the CSC's jurisdiction, but noted that there are provisions for dealing with these issues in Department of Human Resources regulations. In addition, the Ethics Commission's Whistleblower program and the federal Equal Employment Opportunity Commission (EEOC) are in place to help remedy such situations.

**VI. Discussion and possible action re: Amending the San Francisco Campaign and Governmental Conduct Code to provide protection to whistleblowers who file a written complaint with their departments regarding improper governmental activity by a City officer or employee; provide a list of the types of complaints of improper governmental activity; and clarify protections for whistleblowers.**

Ms. Ng presented a report about the proposed amendments. The Whistleblower Ordinance as currently constituted offers no protection for employees who are subject to retaliation from within their own departments when they report improper or unethical conduct to their departments. The proposed amendments would: extend protection to whistleblowers who file a complaint within their own department regarding improper government activity; provide employees with a list of the types of improper government activity; provide that protections extend only to City employees and only when the whistleblower is subject to demotion, suspension, termination, or other similar adverse employment action; provide that when the Ethics Commission refers a complaint of improper government activity to another department or entity for investigation, the Ethics Commission may require a report on the matter; clarify that the Ethics Commission may decline to investigate a retaliation complaint if the Ethics Commission determines that the same or similar allegations are pending with or have been resolved by another administrative or judicial body; and clarify the burden of proof for establishing retaliation.

Vice-Chairperson Melbostad asked whether these proposed changes would encourage more potential whistleblowers to come forward. Ms. Vida responded that these

changes would encourage employees to report improper governmental activity to their own departments, knowing that if they experience retaliation, they can then file with the Ethics Commission. She said that over the course of the Ethics Commission's existence, only seven complaints have been filed alleging retaliation, none of which allege retaliation for having complained to the Ethics Commission. Ms. Vida said that these amendments would make the protections given whistleblowers more meaningful.

Commissioner Saslafsky thanked staff for preparing the proposed amendments and asked what could be done to best publicize them. Ms. Vida suggested that a notice could be posted on the Commission's web site and sent to department heads and commissions. She said that staff could also prepare and send a press release.

Vice-Chairperson Melbostad asked whether the phrase "similar adverse employment action" would have the effect of strengthening or weakening the protections. Deputy City Attorney Julie Moll said that the language was specifically chosen to provide guidance that the employee suffered some adverse employment action such as suspension, demotion, or termination. She noted that such action could include constructive termination, but would not include lesser action such as failure to give an employee a birthday cake.

Vice-Chairperson Melbostad asked whether, under this proposal, the Ethics Commission would have the authority to order reinstatement of, or restitution to, an employee who has been wrongly terminated. Ms. Vida said that the Ethics Commission would not have that authority, but it could make recommendations to DHR about individual cases. She also said that under the current system, whistleblowers have other options: they can file a complaint with DHR, they can file a grievance with their union, or they can file in federal court.

**Motion 01-12-17-2 (Serrano Sewell/Grant): Moved, seconded, and unanimously passed: that the proposed amendments to the San Francisco Campaign and Governmental Conduct Code be adopted as drafted and sent to the Board of Supervisors for approval.**

**VII. Discussion and possible action re: Ethics-related provisions of Proposition E. Proposition E affects the current composition of the Ethics commission; adds several conflicts of interest provisions to the Charter that affect the activities of both members and staff of the Commission; establishes post-service restrictions for members and management-level employees; and makes other changes that will affect the Commission.**

Chairperson Kingsley announced that the City Attorney had prepared a memorandum for the Ethics Commission discussing the ethics-related provisions of the recently approved Proposition E. She suggested that the Commission might wish to make this a public document.

**Motion 01-12-17-3 (Grant/Saslafsky): Moved, seconded, and unanimously passed: that the City Attorney's memorandum on Proposition E be released to the public, along with a statement indicating when the provisions of Proposition E will go into effect.**

Chairperson Kingsley noted that the provisions of the measure apply only to ballot measures and candidates that appear on the San Francisco ballot, whether those ballot measures and candidates are local, county, state, or federal.

Commissioner Grant asked at what point commissioners or staff would be engaging in

political activity that crosses the line of prohibition, since the language of the memorandum does not seem to make clear what activity a commissioner could be involved with that would still entitle him or her to remain seated as a commissioner. Ms. Ng cited as examples the measures sponsored and championed by Pacific Gas and Electric and Chevron on recent San Francisco ballots. Those were clearly instances of major entities with a strong local presence actively and formally financing and supporting local measures, and commissioners or staff would likely be violating the provisions of Proposition E if they engaged in any activity on behalf of, or in opposition to, ballot measures (or candidates) of this kind.

Ms. Moll said that she did not have ready answers to specific questions from commissioners about possible conflict of interest situations, such as whether membership in the Trial Lawyers Association is prohibited. She said that she could research this and other specific inquiries at the request of the Commission.

**VIII. Discussion and possible action re: The Mayor's instructions to absorb 5.5 percent of personnel costs in departmental FY 2002-2003 budgets, and to identify a possible additional budget reduction of 10 percent.**

Chairperson Kingsley said that the Mayor's Office has announced that the City of San Francisco is facing a $175 million budget shortfall in the coming fiscal year. As a result, departments and boards are being asked to propose budgets that reflect potential cutbacks and submit them to the Mayor's Office by February 20, 2002.

Ms. Vida said that the Ethics Commission had been asked to prepare three budgets. One budget will reflect the absorption of 5.5 percent in personnel costs associated with various step increases and cost of living increases instituted over the past year. The total amount of cuts in this budget will amount to $32,000. A second contingency budget will propose an additional 10 percent cut, representing about $74,000. The second budget will reflect savings achieved through reduced staff hours. The second budget may or may not be needed, depending on the economic forecast. The third budget will propose implementation of public financing for Board of Supervisors candidates in the November 2002 election.

Ms. Vida said that she has instructed staff to prioritize the Ethics Commission's current programs and to identify those most critical to the conduct of Commission business. She said that the staff had contemplated elimination of the On Line Filing System (for a savings of about $50,000) for next year, but had concluded that the program is too important. Chairperson Kingsley said that reducing hours seems like a progressive solution that would enhance rather than reduce staff morale. She said that if the Ethics Commission is able to come up with supporting documentation that distinguishes its staffing needs and program mandates from those of other City departments, the proposal might work.

Commissioner Grant and Chairperson Kingsley both stated that Ms. Vida had the support of the Commission Members in proposing the reduced-hours plan to the Mayor's Office.

**IX. Discussion and possible action re: Approval of revised form for conducting the annual performance evaluation of the executive director.**

Chairperson Kingsley noted that the "General Administration" portion of the performance evaluation form has always seemed awkward because although Commissioners are responsible for the operation of the Commission, they do not observe the work of staff on a day-to-day basis. She suggested asking the Executive Director to address in a memorandum to the commissioners the items in this section of the form. Vice-Chairperson Melbostad agreed that this portion of the form was

frustrating, especially in view of the fact that five new members could potentially be sitting on the Commission within a short time. Ms. Vida said that she would be glad to provide information to the commissioners addressing the items in this section. In response to a question from Vice-Chairperson Melbostad, she said she would welcome the Commissioners' inquiry of staff members about her performance.

Motion 01-12-17-4 (Saslafsky/Serrano Sewell): Moved, seconded, and unanimously passed: that the proposed amended performance evaluation form be adopted as drafted.

X. Discussion and possible action re: Items for future agendas.

Chairperson Kingsley advised that there is only one more scheduled meeting of the Ethics Commission as currently constituted. She noted that the staff has prepared an updated memorandum outlining future initiatives to be considered, in recommended order of priority.

Motion 01-12-17-5 (Serrano Sewell/Grant): Moved, seconded, and unanimously passed: that the proposed items for future agendas be approved as drafted.

XI. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission.

There was no public comment.

XII. Closed session held pursuant to Charter section C3.699-13, Brown Act section 54956.9(c) and Sunshine Ordinance section 67.11 to discuss pending litigation.

Conference with Legal Counsel: Anticipated litigation as plaintiff

Number of possible cases: 1

Motion 01-12-17-1 (Serrano Sewell/Grant): Moved, seconded, and passed: that the Commission adjourn to closed session.

The closed session was held from 6:53 p.m. to 7:08 p.m.

XIII. Discussion and vote pursuant to Brown Act section 54957.1 and Sunshine Ordinance section 67.12 on whether to disclose action taken or discussions held in closed session.

Motion 01-12-17-1 (Melbostad/Saslafsky): Moved, seconded, and passed: that the Commission disclose action taken in closed session.

The Ethics Commission disclosed that it had settled Complaint No. 21-001010. Supervisor Tony Hall agreed to pay the Ethics Commission the sum of $500 to settle a complaint arising out of alleged violations of the False Endorsements Ordinance.

XIV. Adjournment

Chairperson Kingsley announced that the next Commission meeting is scheduled for January 28, 2002, at 5:00 p.m.

The meeting was adjourned at 8:14 p.m.

Respectfully submitted,

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Frank M. Lester

Campaign Finance Assistant

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